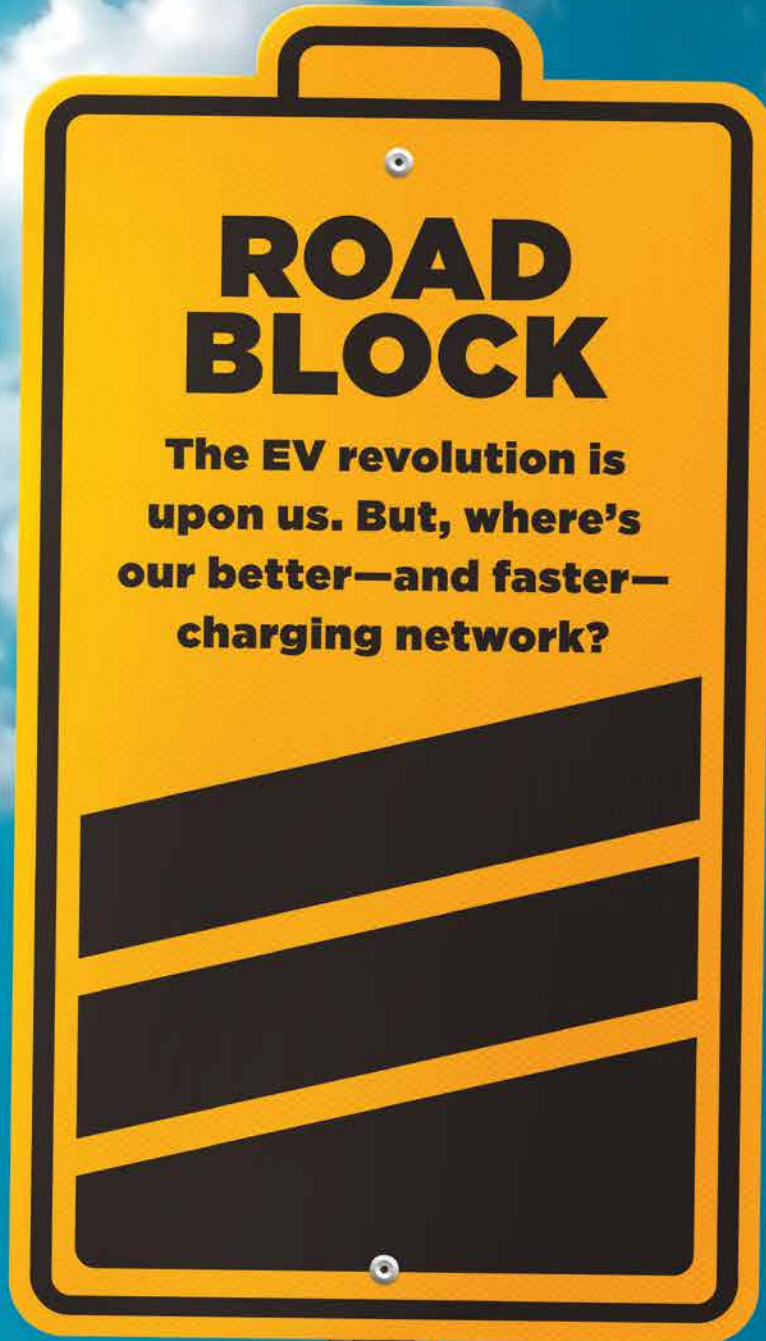


# PIVOT



JULY/AUGUST 2023



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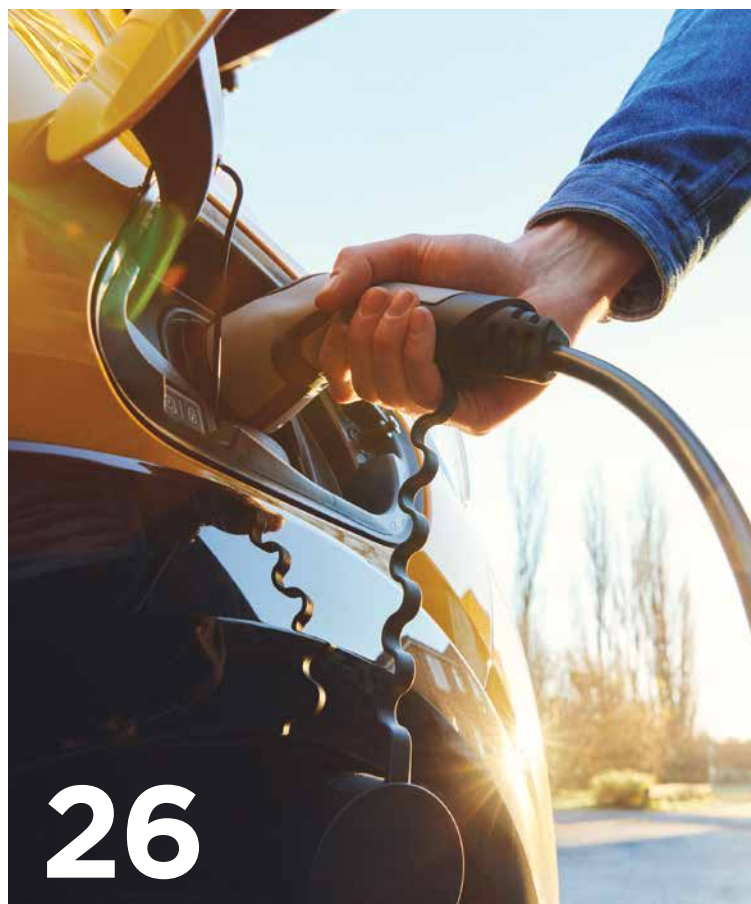
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**WHAT DO YOU THINK?**

Send your input to the editor at [pivot.letters@cpacanada.ca](mailto:pivot.letters@cpacanada.ca).

If your letter is chosen for publication, it may be edited for length and clarity.

PHOTOGRAPHS BY ISTOCK



# BE BOLD

Embracing innovation in our industry will help in long-term growth and success

BY PAMELA STEER

When I think of innovation and adapting to change, the first thing that comes to my mind is the amazing array of people in our profession who rose through the ranks in their careers and now run some of the more innovative and important companies in Canada.

It really speaks to the health and relevance of the profession—the power of the CPA—that our peers are the ones being tapped for these jobs, to lead the innovation necessary for businesses to grow and thrive.

I had the pleasure of sitting down with Ken Hartwick, FCPA, the CEO of Ontario Power Generation in May and was floored by some of the initiatives that he is spearheading at that organization. Chief among them is the new small modular reactor program that is poised to make Ontario even more of an energy powerhouse than it already is. Leading-edge innovation like this on the horizon—and a CPA leading the way—I couldn't be more proud.

### State of flux

The profession itself is rapidly changing and it's important that CPAs everywhere take this lesson to heart: Analyze and utilize new technologies to adapt to this ever-changing world—or be left behind. This includes innovative ways of making AI part of the process, exemplified by the recent news out of both KPMG and PwC.

- **KPMG in Canada announced a partnership with MindBridge in April that aims to bring AI into KPMG's global organization and digital audits around the world.**
- **PwC plans to invest \$1 billion in generative AI technology and work with Microsoft and ChatGPT-maker OpenAI to automate aspects of its tax, audit and consulting services.**

Early adoption of innovative ideas such as AI is vital to the profession, especially considering the shift in the areas that we need to focus on

as accountants—such as intangible assets. For a sector regularly associated with financial reports, it's important to note that the most valuable currency in the world is data, and one of our most important competencies today is data governance. As CPAs, we're trained to see the larger picture in the numbers and we must adapt to analyzing data in addition to dollars.

We have the public trust and professional discipline to make sense of the chaos, weave the story, report fully and accurately, and then make decisions. AI's power to boost raw data analysis will be key to our role in synthesizing the data and providing the insights to what it all means.

### Tip of the iceberg

Beyond data, however, lies an even more important aspect of our profession's evolution: sustainability. In this sector, CPAs are also major innovators.

Take Greg Twinney, our cover feature from the May/June edition, leading General Fusion to the decades-old dream of emission-free fusion energy—an absolute necessity to a sustainable future. This is a dream being sought after all over the world and here in Canada, a CPA is leading the initiative.

Beyond the innovation, however, lies the underpinning of the future of our very planet: sustainability standards. CPAs in Canada are instrumental in their development and we, in turn, will be part and parcel to integrating them into the entire financial system.

The International Sustainability Standards Board and its office in



Pivot won two gold and two silver awards in the 2023 National Magazine Awards: B2B.



**Bryan Borzykowski** won Gold for "Rebound," his May/June 2022 look at Blackberry's second act, in the Best Profile of a Company category.



**John Lorinc** won Silver for his feature on succession planning, "Next In Line," in the Best Feature Article: Professional category, also from the May/June 2022 issue.



"The Show Must Go On," **Liza Agrba's** story on Cirque Du Soleil's Stéphane Lefebvre also won Silver, in the Best Profile of a Person category, for that same issue.



Fittingly, the May/June edition received the Gold award for **Best Issue**.



Montreal, and the Canadian Sustainability Standards Board will be at the core of this initiative, highlighting Canadian accountants as champions for sustainability. Because of this, there has never been more demand for Canadian CPAs in today's ever-changing world.

## IT'S IMPERATIVE THAT CPAs EMBRACE NEW TECHNOLOGIES AND ADAPT TO A CHANGING WORLD, OR RISK BEING LEFT BEHIND

### Dinner and a show

Up until now we've explored innovation and opportunity in the CPA sphere among energy companies and international standards—sectors that one might expect. But it does not end in the boardroom. *Pivot's* National Magazine Award-winning article *The Show Must Go On* highlighted a CPA at the helm of Cirque du Soleil. Stéphane Lefebvre's innovative solutions proved invaluable to the company's survival through some of its hardest times during the pandemic when everything was shut down.

And finally, one story that sticks with me is that of Gioia Usher, CPA and CEO of We'koqma'q First Nation in Cape Breton who also leads fly-fishing tours for women and runs a jewellery company as well. *Pivot's* story on her from 2022 is actually up for a National Magazine Award this year as well. Absolutely inspiring!

Big and small, business to entertainment, the opportunities are endless. This represents CPAs in a nutshell: A profession in the midst of change, leading with new innovations, where there are literally no limits.

Few professions can claim a complete lack of a ceiling, and I'm proud to be part of one that can. ♦



I want to take a moment to celebrate **Randolph (Ran) Clerihue, FCPA**, who recently turned 100.

From serving as a flying officer in the Second World War to a long and storied career as a titan of the business world, Ran has always been a champion of the profession. I admire and applaud his dedication and decades of service to his community and this country. Congratulations, Ran!

# PIVOT

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## PURPOSE DRIVER

# OPPORTUNITY COSTS

With lived experience of racism and overcoming societal obstacles, Philip Ducharme works to help aspiring Indigenous entrepreneurs navigate similar roadblocks and find opportunities for business success **BY ALI AMAD**

**Growing up in the tiny rural** community of Welwyn, Sask., Philip Ducharme didn't see many opportunities for success. "Education also wasn't a priority in our household," says Ducharme, the youngest of nine children in a Métis family. "My parents never went to school beyond grade four and I fluttered around for a while after finishing high school." Still, eager to build a better future for himself, he decided to pursue a higher education and graduated with a degree in business administration from the University of Regina. Ducharme has become a pillar in the Indigenous business community and has worked with Indigenous organizations nationwide, in fields including procurement, health, education and employment. In 2020, he became vice-president of entrepreneurship and procurements with the Canadian Council for Aboriginal Business (CCAB). In his position, Ducharme has helped countless Indigenous businesses, from one-person shops to corporations with more than 1,000 employees, rise over the many business and societal obstacles members of his community face. But with more than 25 years of experience in tackling those obstacles, Ducharme now wants to level the playing field for Indigenous entrepreneurs so they can become full participants in the Canadian economy.

### **What drew you to pursuing a career in business?**

I always liked numbers and accounting. I found out about a pre-entry business program at the Gabriel Dumont Institute, an educational and cultural centre for Métis in Saskatchewan. The program was a doorway to getting a degree from the University of Regina, which seemed like a great opportunity. I was a shy kid from a small town, so it was quite the transition going from having three classmates in my grade to attending lectures with 100 other university students. There was a lot of racism in Saskatchewan at the time, and unfortunately, that problem still exists today. When you face discrimination, it makes you a stronger person or it makes you shy and reclusive. At the time, I definitely became the latter. It was after school that I had to overcome the shyness, once I started working and having to address audiences at work.

**Once you graduated, did you encounter any racism or discrimination as you embarked on your career?**

Yes, unfortunately. After I graduated in 1993, I started applying for jobs. The application process would often start with a telephone interview. Those always went well, but because my last name is Ducharme, the employers I spoke to assumed I came from a French background. I'm visibly Indigenous, so once they met me for an in-person interview and realized I wasn't French, several of them immediately became uncomfortable. They couldn't get rid of me fast enough. I realized that even with an education, I would struggle to get positions, which was incredibly discouraging.

**How did you overcome that discrimination?**

I wasn't having much success with getting jobs in Saskatchewan, so I decided to move to Toronto, where I figured I'd find more opportunities. The CCAB had a provincial office there and they gave me a job doing admin work and helping people update their resumes. I'll always be grateful to them

**THE MOST SUCCESSFUL INDIGENOUS BUSINESSPEOPLE HAVE REMAINED TRUE TO THEIR VALUES**

for giving me that first opportunity. When I started networking with other Indigenous people in Toronto and saw their successes, I was inspired. Drawing on the energy and strength of other Indigenous people whose struggles were far more challenging than mine helped me get past my own negative experiences. Soon after my Toronto move, I landed jobs in telephone and online banking at CIBC and BMO. That was a great experience that led me to many other opportunities over the years, eventually leading me back to the CCAB.

**What role does entrepreneurship play in supporting economic development and empowerment for Indigenous communities in Canada? And how do you and the CCAB support this entrepreneurship?**

Indigenous people have been left behind in so many aspects of Canadian society. The CCAB's mandate is to facilitate opportunities between Indigenous peoples and the rest of Canada. That's where entrepreneurship plays an important role. Instead of relying on social programming and assistance, Indigenous entrepreneurs take on an active role to create growth and self-sufficiency. When Indigenous

entrepreneurs start a business, they'll often hire other Indigenous people. Those businesses also reinvest in their communities and give back in the form of supports like scholarships and cultural centres. You also can't forget the impact of how seeing the success of someone from your background can instill pride and belief that you can achieve that success too. In my role, I oversee a number of different programs, such as Supply Change, which is the CCAB's trademarked procurement strategy for Indigenous businesses. Through building relationships between the federal government, non-Indigenous corporate partners and Indigenous businesses, we create pathways to increase Indigenous participation in every industry.

**Can you share a success story of an Indigenous entrepreneur that has inspired you?**

I encounter success stories that inspire me every day. I work with a lot of small businesses that are rarely given any opportunities. Part of my job is to support them in preparing for and responding to a request for procurement (RFP) from the federal government, or any other entity looking to buy goods and services. Receiving phone calls from those businesses to inform me that they've secured what is often a life-changing contract brings me so much happiness. But my personal role model is Dave Tuccaro. Based in Fort McMurray, Alberta, he's an entrepreneur whose philanthropic efforts have given so much to the Indigenous business community. And yet, he's one of the most humble and down-to-earth individuals I've ever met.

**During your 25-plus year career, what have you learned are the vital attributes that cultivate success for an Indigenous entrepreneur or business professional?**

Listening is key. Asking questions is also important. Intuitive people ask questions because they have a desire to learn and grow their businesses. In many instances, some of the most successful Indigenous businesspeople I've met have also always remained true to themselves and their values. Many of them still practice their traditions and embody their culture. Being successful can sometimes make you lose perspective, but sticking to your values helps keep you grounded.

**What advice would you give to aspiring Indigenous entrepreneurs?**

Go out and meet other entrepreneurs to build connections. Join organizations like the CCAB that offer networking events. This will help you find a





PHOTOGRAPH BY MAY TRUONG

mentor or collaborator who might be able to assist you in an area where you have struggles. There are plenty of Indigenous businesspeople who want to share their knowledge and expertise with up-and-coming entrepreneurs, but you have to put yourself out there to find them.

**What barriers exist that prevent Indigenous entrepreneurs from accessing funding and resources to support their businesses?**

**What can be done to address those barriers?**

It is quite difficult for Indigenous businesses to get loans because of unconscious biases within lending institutions. For example, an Indigenous business is often perceived as a bigger risk than a non-Indigenous venture. Additionally, when entrepreneurs live in First Nations on reserves, they can't use their homes

to get credit like most Canadians starting a business can. The reason for that is because the Crown technically owns the land on the reserves—all the residents have is a certificate of possession for their homes. Those are just some of the many hurdles Indigenous people face. Fortunately, Canada has a substantial network of Indigenous financial institutions that have successfully aided many Indigenous businesses. But their impact is limited by the amount of funding they receive from the government. That federal support has to be boosted.

**What other government changes are needed to support Indigenous entrepreneurship and economic development in Canada?**

The federal government has a Procurement Strategy for Indigenous Business (PSIB) that aims to increase

opportunities for Indigenous entrepreneurs. In August 2021, the Minister of Public Services and Procurement announced a mandate requiring that all federal departments and agencies ensure that a minimum of five per cent of the total value of contracts are held by Indigenous businesses. This \$35.2 million investment is an important commitment that's going to help Indigenous economic development. But the process needs to be refined to make things easier for smaller businesses. For example, the government needs to simplify their contracting process. A small business that's applying for a \$50,000 RFP has to deal with as much red tape and paperwork as a business that's applying for a \$100 million RFP.

**How can non-Indigenous businesses support Indigenous economic development?**

Many times, the only reason outsider businesses will approach an Indigenous community is because they're pursuing a venture that requires that community's support. There's this prevailing assumption that Indigenous communities should be automatically motivated to support them for their own financial benefit. Outsider businesses will also often go in with this approach of telling the community that this venture is what they need. However, the first thing they should do is listen to what that community has to say about its needs. Every community has different priorities. Economic development might not be high on their list if they don't have safe drinking water or sufficient health services. Once the community is consulted and its interests align with the project, outsider organizations should give opportunities to local Indigenous businesses. Again, there are assumptions that the local businesses don't have the capacity or capability to support certain projects. That might be initially true in some cases, but there are plenty of examples of fruitful long-term collaborations. For instance, in Alberta's Wood Buffalo region, oil sands companies realized at first that Indigenous businesses didn't have the capabilities needed, but after working with them to grow their capacity, those local businesses have now become dependable integral vendors.

**Looking to the future, what changes do you hope to witness for the Indigenous business community in Canada?**

I would like to see Indigenous businesses involved in every industry across the country. We want to work to build our communities. What we need now are the opportunities. ♦



**HIGH ANXIETIES**

Air travel can seem like one unpleasant experience after another. As evidence, consider the findings from an October 2022 survey by Upgraded Points, a travel website. It ranked 'having the back of your seat kicked,' 'cutting in line,' and 'other passengers being rude to airport staff' as air travellers' top three pet peeves based on how annoying they are. Here's a look at the flight experiences—from boarding to cruising to deplaning—that highlight passengers' feelings. **BY STEVE BREARTON**

**Sitting Pretty**

Air traveller preference for plane seats, according to a 2022 survey by Virgin airlines



Middle/any seat

**3%**

Window seat

**35%**

Aisle seat

**62%**

**25**

Percentage of economy-class flyers who "fit" in current airline seats and passenger space, according to U.S. passenger advocates FlyersRights



**Good Neighbours**

The 2022 Upgraded Points survey also asked fliers to choose between the lesser of two evils when considering their flying companions.



More travellers would choose to sit beside a crying baby than a fighting couple:

**Crying baby**  
**54.6%**

**Fighting couple**  
**45.4%**



More travellers would choose to sit beside a dog than a baby:

**Dog**  
**54%**

**Baby**  
**46%**

**Landing Fear**

The 2022 Upgraded Points survey asked fliers whether these scenarios bother them upon arrival to their destination:

**41%**

Find it annoying when people clap after a landing

**63%**

Find it annoying when people stand before it's their turn to deplane



# Boldly Elevate Your Career With the Chartered Business Valuator Designation

The role of finance in business is evolving to become more accessible and essential than ever.



**There is a shift happening** in the role of finance in business. A recent report on the future of finance depicts this transition as evolving from “number cruncher” to “co-pilot.” Increasingly, finance professionals are helping organizations usher in the future—solving mission-critical business problems and leading the charge for new processes and efficiencies. In charting a path forward, it’s bringing new, in-demand skills to the forefront, such as the ability to assess risk and provide meaningful business valuation-related analyses.

“Demand for business valuation professionals, Chartered Business Valuators (CBVs), is currently at an all-time high,” says Dr. Christine Sawchuk, CBV, President and CEO, CBV Institute. “We’re seeing unprecedented demand in a wide range of industries.”

As the gold standard in business valuation, the CBV designation builds on finance skills to provide next-level expertise to meet the challenges of today’s business environment.

“What I most enjoy about my role at OMERS is that I get to collaborate

with global portfolio management teams and investment colleagues to provide ongoing valuation support and address unique valuation issues as they arise within the infrastructure private asset portfolio,” says Jennifer Samarco. As a CBV and Vice President of Investment Finance and Valuations at the pension fund OMERS, Samarco leads a team responsible for the valuation of OMERS’ \$26B private infrastructure portfolio. “The knowledge and skills I acquired through the CBV program have prepared me for the complexities of valuing a global portfolio of infrastructure assets across a broad spectrum of industry sectors, and have been foundational to my understanding of the risks and opportunities that impact value creation. This has enabled me to be a strong business partner across the organization,” Samarco says.

Kiki Anadu, Vice President in PwC’s valuations practice deals group, agrees being a CBV has been paramount to her success. Anadu says the knowledge and skills she acquired from the designation over a decade ago as a valuations senior

associate were instrumental in her ability to hit the ground running.

“My CBV expertise means that I can be involved at every stage of the conversation as a result of my ability to perform a thorough analysis, stay current on the various trends that impact deal value, and provide objective opinions,” she says.

The CBV designation can also offer a leg up to professionals with backgrounds in other disciplines looking to advance their careers. Just ask Shilpa Arora, CBV, General Manager of DoorDash Canada.

“Having a non-traditional background as an architect, and as a new immigrant to Canada, the program helped me develop the expertise, network and knowledge of local standards and best practices,” Arora says. “The course content was the perfect balance of starting from the basics, making it accessible and less intimidating for non-accounting professionals to start, while also allowing for specialization through electives where specific industry expertise is helpful.”

And in a world where it’s not just what you know that matters, Arora says being a CBV alumna provides other priceless benefits. “Thanks to CBV Institute, there is a growing community of valutors I can always reach out to for nuanced discussions and expertise,” she adds.



Stand out. Now’s the time to boldly elevate your career. Visit <https://cbvinstitute.com/BeBold> to learn how the CBV designation will take your career to the next level.



THE ECONOMIST

# BETTING (TOO) BIG

Boosting immigration to grow the economy comes with challenges that are being overlooked



DAVID-ALEXANDRE BRASSARD

To offset the effects of an aging population, Canada is banking on its ability to attract and integrate immigrants. This strategy has generally been successful in the past, with Canada welcoming proportionally more immigrants than any other G7 country. Canada also has a high and stable retention rate, with full economic integration for second-generation immigrants.

The federal government is now planning to pick up the pace. Its target for 2025 is 500,000 immigrants, up from 465,000 expected in 2023 and 405,000 welcomed in 2021.

Unfortunately, past success does not guarantee future success, and the rising number of newcomers will exacerbate some of the challenges we currently face.

### An overburdened system

The immigration system is already cracking under the strain. In 2022, the backlog was about two million cases (citizenship, work permits, temporary residence, etc.), half of which are expected to be processed within normal timeframes—which is not to say quickly, by any means. The backlog had already grown by the summer of 2021, as immigration picked up after the early pandemic slowdown. In other words, current processing rates are already problematic while we're below the 2025 targets.

Meanwhile, irregular immigration, meaning the illegal crossing of Canada's borders, resulted in nearly 65,000 asylum claims in 2022—twice as many as the worst year of the preceding 10 years and five times the annual average. The closure of Roxham Road will provide some relief, allowing efforts to be focused on processing official refugee cases while easing pressure on a system with limited resources, but it won't solve everything.

I'm also not sure we can provide affordable housing for these newcomers. While the pandemic saw historic acceleration in residential construction (comparable to the 1970s), Desjardins estimates that an additional 50 per cent increase in construction activity will be required to respond to the growing need.

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Percentage of university-educated immigrants who are more likely to be overqualified for their jobs

In an industry facing labour shortages and low productivity growth, a 50 per cent increase seems like an unattainable goal. Pressure on housing costs will continue to be an issue—especially for immigrants, who are generally paid less when they arrive and who are nearly twice as likely as non-immigrants to spend 30 per cent or more of their income on housing costs.

### Long-standing issues

The geographic distribution of immigrants is another recurring issue. Newcomers tend to settle in larger cities like Toronto, Montreal, Vancouver, Calgary, Edmonton and Winnipeg—which poses problems for population renewal and economic growth outside the major centres. They also face more precarious living conditions in large cities, where the cost of living is high. Meanwhile, the Maritime provinces are receiving fewer immigrants, exacerbating the challenges associated with an aging population.

Another persistent problem is overqualification, particularly among university-educated immigrants, who are 24 per cent more likely than



## NEWCOMERS FACE PRECARIOUS LIVING CONDITIONS IN EXPENSIVE URBAN CENTRES

non-immigrants to be overqualified for their jobs. Not surprisingly, this gap is largest when they first arrive in Canada, and while it decreases over time, it never completely disappears.

The use of temporary foreign labour is also an ongoing issue. In 2021, there were seven times more temporary foreign workers than in the early 2000s. More recently, the number has stabilized around

ILLUSTRATION BY KAGAN MCLEOD. PHOTOGRAPH BY GETTY

750,000, but it is expected to rise again with changes to the program made in 2022. While this low-cost (but also more vulnerable) workforce will fill more lower-skilled, recurring jobs, it won't be an efficient approach to immigration if the transition rate to permanent residence is low.

### Growth at all costs?

A Canada with a population of 100 million by the year 2100 and an economy that grows accordingly are not necessarily laudable goals. What we want is a better and more affordable standard of living for Canadians (in other words, high per capita GDP) in a united Canada—again, bearing in mind that there is a maximum capacity for what we can absorb. The government is biting off more than it can chew; rather than simply increasing immigration targets year after year, it should prioritize the quality of immigration and improve our integration services. ♦

*David-Alexandre Brassard is CPA Canada's chief economist*

### GUEST COLUMN

## THINKING AHEAD

Corporate social responsibility and integrated reporting can coexist within an organization, but they require a new mindset to be effective



GERALD TRITES

For much of history, business reporting has focused on financial reporting. For the past few decades, however, there has been a rising interest in sustainability reporting, often referred to as environmental, social and governance (ESG) reporting. That interest has grown substantially in recent years, punctuated by the formation of the International Sustainability Standards Board (ISSB) in 2021.

So far, much of the sustainability reporting that has been provided has varied widely among companies in terms of quality, content and reliability, including accusations of greenwashing. Generally, sustainability reports have been provided as separate, narrative-style reports with some key performance indicators included.

ILLUSTRATION BY KAGAN MCLEOD. PHOTOGRAPH BY GETTY

The audience for sustainability reporting, however, has been changing. Originally it was directed primarily to a range of corporate stakeholders, often in conformity with the guidance issued by the Global Reporting Initiative, which is still widely followed. More recently, such reporting has been directed to shareholders as well as other stakeholders, primarily because of the direction taken by the ISSB. The advent of events such as

### SOCIAL Qs

## THE FRAGILITY OF FAITH

When banks are in trouble and our finances are threatened, who and what do we believe in? **BY DORETTA THOMPSON**



Earlier this year, stories about the global banking system dominated business headlines. Three U.S. bank failures and the forced sale of a historic European bank raised comparisons with the 2008 collapse. And it all happened so fast. During a couple of tough weeks in March, governments stepped in to rescue depositors in the U.S. and force a sale in Switzerland, and what the media seemed initially to anticipate as mass panic, rapidly subsided. The headlines dissipated, and the response from global stock markets was marginal.

So, what happened—and what does this mean to us as individual clients of the banking system?

All institutions—financial, governmental, educational—are predicated on our collective faith in their value and stability. When that faith is threatened, institutions crumble. And with the speed of today's communications, a trickle of mistrust can become a raging river with remarkable speed.

Silicon Valley Bank (SVB) wasn't bankrupt in the sense that they had no assets; rather, poor decisions to invest deposits in long-term low-interest bonds made clients nervous. Word spread like wildfire among their tech savvy clients, who started to pull their deposits, leaving SVB no liquid assets to distribute. Credit Suisse had been plagued by scandal for some time, but when its largest shareholder announced it would not buy more shares, a run threatened, drawing the immediate intervention of the Swiss government.

For now, these swift interventions seem sufficient. When push comes to shove, governments and government entities have the tools and the will to come swiftly to the rescue, restoring faith along the way. It will, however, come at a cost, which is why it's important that we pay attention to the economy to ensure it continues to work for all of us. ♦

*Doretta Thompson is financial literacy leader at CPA Canada.*

extreme weather has convinced many investors that they need to be concerned about environmental impacts on the companies in which they invest as well as the impact of those companies on the environment.

The focus on reporting to shareholders led to the idea of integrated reporting, which involves bringing together financial and sustainability reporting in a single report. An Integrated Report is defined in the Integrated Reporting Framework as: “A concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value in the short, medium and long term.”

The key phrase here is “the creation, preservation or erosion of value.” The focus of value creation is defined in the Integrated Reporting Framework in relation to six types of capital that organizations employ to provide a foundation for their business: financial, manufactured, intellectual, human, social and relationship, and natural.

To clarify, financial capital is that represented by financial assets. Manufactured capital is represented by infrastructure, buildings, etc. Intellectual capital is the knowledge base of the organization. Human is the human resources. Social and relationship includes the relationships of the company with its stakeholders. And natural capital, of course, is represented by environmental elements, like land, water and air.

## SUSTAINABILITY REPORTING HAS VARIED WIDELY IN TERMS OF QUALITY AND RELIABILITY

In integrated reporting, the success (or lack thereof) of the organization is measured by how it has added to or detracted from the value of these capitals. Clearly, therefore, the definition of success extends far beyond traditional financial measures.

A wide consensus has emerged that for an organization to take into account all the various capitals on an integrated basis, their thinking must become more integrated. In other words, decisions need to be made while including the impacts on financial, social, natural and all the other capitals together. An example would be embedding such thinking into procurement decisions; what are the principles that drive procurement decisions: cost, carbon footprint, governance, or something else?

Integrated thinking is introduced in the Integrated Reporting Framework and further explained in the

“Integrated Thinking Principles” issued by the Value Reporting Foundation, now consolidated into the IFRS Foundation, a nonprofit that oversees financial reporting standard-setting. Full integrated thinking—in the sense of being incorporated into all the corporate operational and strategic decisions—is as a practical matter, a long-term goal. However, a measure of integrated thinking is necessary in order to properly develop an integrated report. A new mindset is needed.

The Integrated Thinking document sets out six principles of integrated thinking, categorized under:

- **Purpose**—the existence and unique contribution of the company to the needs of society and the environment.
- **Governance**—the role of those charged with governance in value creation
- **Culture**—how corporate culture earns the trust of stakeholders and aligns with core values
- **Strategy**—how organizational objectives are defined and met
- **Risks and Opportunities**—the impact of risks and opportunities on the business model
- **Performance**—how to measure and communicate value creation.

Just as integrated reporting extends beyond financial reporting, integrated thinking extends beyond reporting to operational and strategic issues. That leads us into the field of Corporate Social Responsibility (CSR).

There is extensive literature on CSR, in both academic and business publications. Noteworthy are the writings of Peter Drucker’s *Management* (1974) and Archie B. Carroll’s article titled, “The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders,” (1991). They placed an emphasis on what has been called strategic CSR, which means that CSR is incorporated within the corporate culture and strategy.

Yet, there is some confusion around whether there are differences between integrated thinking and CSR, and if there are, what those differences might be. Some say that integrated thinking is the same as CSR, or a form of it. There is some truth in the latter, since CSR exists in a wide range of activities, from using petty cash to buy Girl Guide Cookies, to corporate philanthropy, to developing broad ranging strategies that address all the various areas of interest or capitals. The broad range of CSR can easily embrace integrated thinking.



Nevertheless, there is much to be learned from examining the nature of strategic CSR in implementing integrated thinking.

According to David Chandler, in his book *Strategic Corporate Social Responsibility*, “In defining strategic CSR, five components are essential: (1) that firms incorporate a CSR perspective in their culture and strategic planning process, (2) that any actions taken are directly related to core operations, (3) that firms seek to understand and respond to the needs of their stakeholders, (4) that they aim to optimize value created, and (5) that they shift from a short-term perspective to managing relations with key stakeholders over the medium to long term.”

This analysis provides a good umbrella under which to develop an integrated thinking strategy, which can be viewed as a bridge to CSR, one having

similar broad objectives but which is more specifically directed to the six capitals and designed primarily to provide a support for integrated reporting. But there are other benefits to adopting a CSR perspective, because it is based on the recognition of a responsibility for corporate behaviour as opposed to the more limited goal of providing effective integrated reports. Some, such as Larry Fink of BlackRock, say that a CSR mindset is actually more profitable. With the adoption of a CSR perspective, integrated thinking can still be developed, but is more likely to encompass the broad strategic and operational perspective that is needed for an effective result. ♦

*Gerald Trites is editor-in-chief of ThinkTWENTY20 magazine and a retired partner of KPMG*

## SHAM, WOW

A catalogue of recent cons **BY ANDREW RAVEN**



### LOVE LANGUAGE

Police are warning relationship seekers to be on the lookout for what they call an increasingly common type of fraud: the romance scam.

These ploys see fraudsters create fake profiles on dating and social media sites, then strike up a relationship with their

victims. They'll often profess their love while pleading for money for travel, medical care or, of course, crypto-related investments.

Some scammers are even reportedly using voice generators and deep fakes to dupe their victims.

In 2021, Canadians lost more than 60 million in romance scams, according to the Canadian Anti-Fraud Centre, a partnership between police agencies. That is more than any other plot, save for investment scams. The centre estimates that less than 10 per cent of all frauds are reported.

## SENIOR-CENTERED

Calgary police have arrested two men who they say stole the PIN numbers and bank cards of a dozen victims, including an elderly woman who had recently lost her husband.

From late January to early February the men purloined nearly \$100,000 in what officers called a string of “distraction” thefts.

Police say the men sidled up to their victims in checkout lines and spied as they entered their PIN codes. The fraudsters then followed their targets outside and pilfered their wallets, often while offering to help load bags.

Among their victims was an 80-year-old woman whose husband reportedly died one week before the theft.

During the arrest in early March, police found the men holding stolen credit cards.

Each man faces 29 fraud- and theft-related charges.

## HOUSING RIGHTS

Three people have been charged with trying to sell a Toronto-area house they didn't own, part of what experts say is a wave of title fraud.

The trio—one woman and two men—were arrested at a bank earlier this year while reportedly trying to collect \$840,000 from the sale of the home.

According to a report by CBC News, the fraudsters used questionable IDs and forged documents to pose as the home's owners, duping a battery of real estate agents and lawyers. The property's actual owners were in China.

The ruse wasn't discovered until after the sale closed, when bankers became suspicious of the “seller's” identity.

In an interview with *Maclean's* magazine, one insurance expert said fraudulent home sales were on the rise, estimating 30 such transactions had occurred in the Toronto area during one recent 18-month stretch.



BY THE NUMBERS

# URBAN EXODUS

Canada's biggest urban centres are losing population. Excluding new immigration into cities, the combined populations of Toronto, Montreal, and Vancouver dropped by more than 144,000 people during a one-year period, until July 2022. Lifestyle changes during the pandemic, remote work, housing affordability and the inability of wages for young workers to match urban expenses are all partly to blame. —*Steve Brearton*

**CANADIANS  
ARE FLEEING  
OUR LARGEST  
CITIES**





# -144,509

Canada's three largest cities saw a net population decline of nearly **150,000 residents** between July 2021 and July 2022, from residents moving intraprovincially and to other provinces:



## Canadians seeking more affordable housing is a major reason for the exodus from cities

# 35

Percentage of Canadians who said they are looking to move out of major cities in 2022 to access more affordable housing, according to the Scotiabank Housing Poll.



*“Find things you’d never expect. Like an affordable house.”*

As part of a 2022 **Alberta is Calling** campaign to attract workers, the Government of Alberta paid **\$2.6 million** for posters, wall murals, staircase banners and fixture wraps aimed at wooing Toronto and Vancouver professionals.

## The pandemic led some people to make different decisions about where they call home

Pace of life and affordable housing top the reasons for leaving the city. Why Canadians say they want to leave the city for smaller or remote communities, according to a 2021 Abacus Data survey:



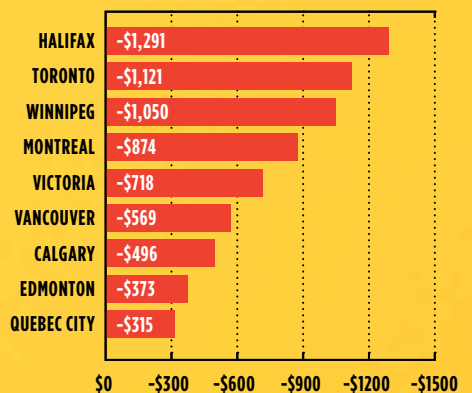
“The last several decades feel like an unrelenting urbanization movement. Small and rural communities have declined and those that remain as bedroom communities for larger urban centres often have hollowed out downtown areas. Affordability is no doubt an essential component of the reimagining of small-town and rural life for so many Canadians. The pandemic and the impact on the urban environment and how we work may also be helping create momentum for escaping to the country.”

—Richard Jenkins, Director, Public Sector Research, Abacus Data

## Can young people afford to live in Canadian cities?

# -\$750

A 15 to 29-year-old Canadian earning an average monthly wage and paying average monthly expenses in 2022 will have a **\$750 shortfall**, according to a 2022 report by Youthful Cities. The deficit is even worse in Canada's largest cities. Monthly income minus monthly costs for Canadian youth:



*For the sake of their financial future, young people should leave Toronto and Vancouver*

Headline, The Globe and Mail, November 3, 2022



BY ALEX CORREA  
PHOTOGRAPHS BY DANIEL EHRENWORTH

# matinee idol

**Cineplex CEO Ellis Jacob**  
has helped shape the Canadian  
theatre industry with  
an unrelenting focus on  
the entertainment experience



**E**

**llis Jacob** personally greeted Keanu Reeves at the Scotiabank Theatre in Toronto for the March movie premiere of *John Wick: Chapter 4*. A week later, he was at the same location but took a moment out of his tightly packed schedule to reconnect and reminisce with Victor Valle, the general manager of a nearby Cineplex theatre. Valle can trace their relationship back to 2005, during his first year as general manager at the Yorkdale SilverCity theatre in Toronto, where Jacob would bring his mother, Tryphosa, who shared his passion for film, nearly every Saturday afternoon. →



Jacob, 70, has been CEO of Cineplex since 2003, but a movie fan for much longer than that. He's credited with successfully guiding the theatre powerhouse through company-changing mergers and the challenge of the pandemic shutdown. But the long road he navigated to solidify Cineplex's success is, like the best movies, a story of dramatic highs and lows.

After doing his CÉGEP and undergrad at McGill University in Montreal, Jacob earned his CA with KPMG and completed his MBA at York University in Toronto. He was then hired at Ford Motor Company, where he met his mentor, Gerry Kishner. Soon after, Kishner left Ford for Motorola and asked Jacob to join him. They developed a strong professional relationship there over the next seven years.

When Kishner exited—this time for Cineplex Odeon, while the company was headed by Garth Drabinsky and Myron Gottlieb—he called a reluctant Jacob, who says that, at the time, “there was too much chaos at Cineplex.” But Jacob eventually did relent in 1987, when he joined as VP of finance and corporate controller, and his career in the movie industry began—but not without a few hiccups.

“I remember coming into the office the first day,” Jacob recalls, “and I didn’t have a desk. I didn’t have a computer. And I didn’t have a phone.” The bumpy start, along with the aforementioned chaos, actually gave Jacob something to sink his teeth into. “There was a lot happening [and] even though it was quite stressful with the leadership...I had a lot to do on the business [side] and I got to really enjoy it.”

Kishner would eventually depart Cineplex Odeon for Canadian Tire, asking Jacob to join him once more, but this time Jacob refused. “I’m not trying to be a bridesmaid. I want to be a bride,” Jacob recalls telling Kishner. Within a few years, Jacob became CFO, then CEO of Cineplex Odeon.

Jacob pushed through turbulence with Cineplex Odeon for the rest of the 1980s, but the next decade would prove even more challenging. “When the senior leadership left Cineplex in 1989, we were in a lot of trouble financially,” he recalls. By 1994, Jacob had cut the company’s debt in half but was still mired in old leases and financial baggage. With an AMC Theatres expansion looming, Jacob helped orchestrate a merger with Loews in 1998, but

that would result in his exit from Cineplex. “I was with a wife and two kids saying, ‘What the heck am I going to do?’ because my job was no longer there.”

Fortunately, Jacob’s history in the theatre industry and passion for creating social experiences influenced his next move. “I felt that there was this opportunity in small towns to build big city cinemas,” he says. “Everybody was kind of surprised because they all said to me, ‘The VCR! Nobody’s going to go to the movies in a small

## When the senior leadership team left Cineplex in 1989, the theatre company found itself in serious trouble

town.” He held firm, believing that the big urban movie theatre experience would translate well in smaller communities. So, along with Gerry Schwartz, founder and CEO of Onex Group, and other theatre executives, Jacob founded Galaxy Entertainment. Galaxy took existing small theatres and gave them a facelift, updating projection screens, adding better seating and sound, and offering fast food options—all with the goal of providing a big-city feel.

Then, in 2001, Onex announced plans to purchase a financially troubled Loews Cineplex, which had just filed for Chapter 11 bankruptcy. In 2003, Onex oversaw the merger of Loews Cineplex with the upstart Galaxy to form Cineplex Galaxy and installed Jacob as CEO once again.

“Then, in 2005, our largest competitor in Canada—Famous Players—was up for sale,” says Jacob. He recalls having to contend with the formidable Sumner Redstone—then CEO of Paramount, the parent company of Famous Players—as well as the Canadian government, which “wasn’t keen” on the large market share the purchase would give Cineplex Galaxy. The purchase went ahead, though Cineplex had to divest several theatres to satisfy anti-trust concerns from the Competition Bureau of Canada.







## 2010

Jacob was appointed a Member of the Order of Canada

“We created this great entity, which, today, is part of the whole Canadian [movie-going] landscape,” Jacob says. “Sometimes it’s circumstances that push you to do things and this is one [where] the timing worked out extremely well.”

Having led Cineplex to the pinnacle of the Canadian movie theatre industry, Jacob began focusing on expanding the customer experience both in and out of the cinema. There is currently a variety of in-person ways to experience a movie, including IMAX, UltraAVX, D-Box, 4DX, and VIP Cinemas, some of which feature larger screens and vibrating seats that replicate the movement of the onscreen action.

Beyond the theatre, Cineplex also owns family entertainment centres (FECs), including the Rec Room, Playdium, and XSCAPE, where patrons can play a variety of arcade and tabletop sports games—one of Jacob’s personal passions. (“Air hockey is his game,” says Gord Nelson, CPA and CFO of Cineplex. “One of his traditions is whenever we open a Rec Room, he likes to challenge the mayor to a game of air hockey.”)

This push into other avenues of entertainment has proven fruitful as Cineplex reported a 34.9 per cent increase in amusement revenues, primarily from these FECs, in 2022. Meanwhile, box office revenues decreased by 4.5 per cent.

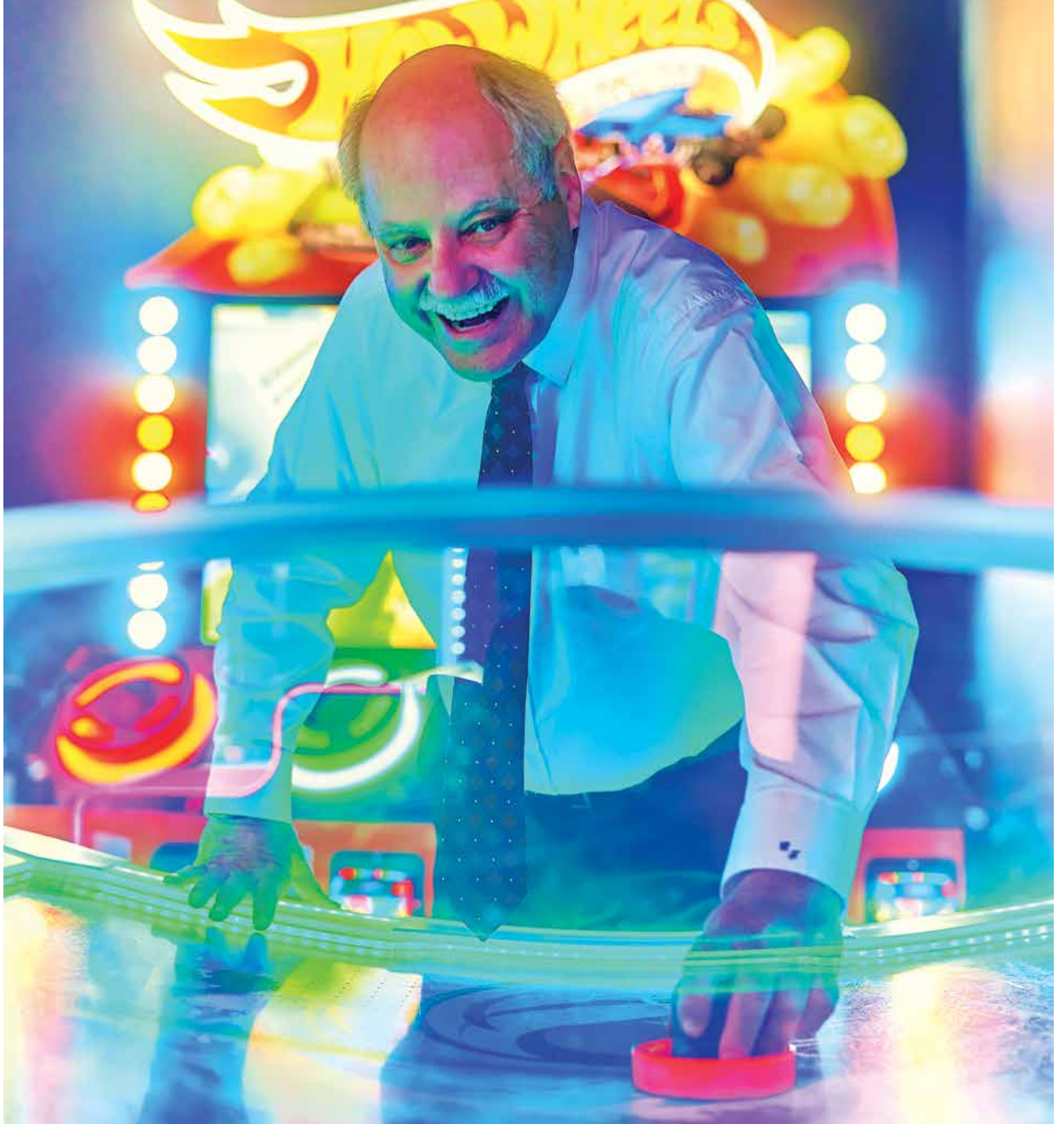
After the buyout of Famous Players, Cineplex needed to decide what to do with the handful of theatres across the country that still carried the Paramount name. Paramount Corporation wanted to completely cut ties despite Jacob’s insistence that Cineplex would provide them with free marketing. While in Istanbul, Turkey, deliberating his next step, he visited a local theatre, which is his custom whenever he travels outside of Canada. He noticed that within the theatre, each auditorium was named after a different corporate sponsor. He decided that if the Istanbul theatre owner can do that inside, why couldn’t he do the same to the outside of his problematic Paramount theatres?

Jacob presented a partnership idea to the then Scotiabank CEO, Richard Waugh, who wasn’t on board at first, insisting movies and banking weren’t a good combination. But in Jacob’s mind, it was the perfect union of ideas, so he pointed out to Waugh how the bank could appeal to his kids when they decide to open their first account.

Soon after, in 2007, Scotiabank and Cineplex partnered to create the Scene+ loyalty program, while renaming the Paramount theatres to Scotiabank Theatres.







In a 2012 speech to shareholders, Waugh lauded the program for its success, stating that it had three and a half million total cardholders, including more than one million Scotiabank customers. Recently, Canada's second largest grocery chain, Empire, joined both Cineplex and Scotiabank to become a partner in the Scene+ program.

While many of Jacob's ideas stem from the desire to improve the social experience for customers, not all of them work out, like the attempt at offering a babysitting service—a pilot project in Oakville, Ont. “A friend of mine had a theatre in Florida and he implemented it. It looked like it was working quite well, but everybody has different wants,” Jacob says. While the service idea didn't take off,

Jacob adds that experimentation is part of any industry. “I think it's important to learn and understand that if you make a mistake, you've got to make the adjustments that are necessary. What's great about our business is you can test something in one location and if it doesn't work, you move on.”

But even all the effort and innovation couldn't have prepared Cineplex for the COVID-19 pandemic. The resulting shutdown forced the closures of all 170-plus Cineplex theatres nationally. The move had a profound impact on Jacob since it affected

so many people he got to know throughout the years. “He's one of the most empathetic leaders I've seen, [with] a connection and concern [for] employees,” says Nelson.

**60**

Percentage of pay cut Cineplex executives took at the start of the pandemic





# Are you a financial storm chaser or a budgetary brick layer?

Everyone has a financial identity and our fun quiz could lead you to discovering yours. Answer these 4 questions.

1) The majority of your portfolio is held in:

- 1. GICs
- 2. mutual funds/ETFs
- 3. stocks
- 4. crypto

2) Your backup plan to the crash of financial markets is:

- 1. gold bars
- 2. cash under the mattress
- 3. keep calm - it's time in the market, not timing the market
- 4. high-risk, high-reward investments

3) A distant relative leaves you a small inheritance, do you:

- 1. invest it towards a down-payment for a house
- 2. leave it as cash in your chequing account
- 3. put it in an RRSP or TFSA
- 4. support a startup

4) Financial advice I'd give to a friend:

- 1. a recession is coming, sell everything
- 2. your time horizon is long so stay the course
- 3. diversify into AI and forget the blue chips
- 4. when the market is down, double down and invest

To score the quiz, add the numbers corresponding to the responses you chose for each question. For instance, if you picked response #2 for each of the four questions, your total score on the quiz would be 8.

Score	Your Financial Identity
4 to 10	A budgetary brick layer
11 to 16	A financial storm chaser

**NO MATTER WHAT YOUR FINANCIAL IDENTITY IS, JOIN US AT THE MASTERING MONEY CONFERENCE TO LEARN HOW TO BUILD WEALTH AND STABILITY:**





Navigating the business during the pandemic was challenging but manageable, according to Nelson. He remembers the Cineplex team going into “crisis mode” under Jacob’s leadership while building a deeper level of camaraderie.

“We needed to make decisions as to who we would eliminate. As an organization, we decided we were all going to take cuts so that as many people could stay as possible,” Nelson says. “[Ellis] took a significant payroll reduction—almost 75 per cent. We all took 60 per cent reductions.”

Now that Cineplex is on the road to financial recovery, Jacob is once again looking to bring people together in unique ways. “Canada is a diverse country. We’ve got to provide our guests with that experience,” Jacob says of his recent push to diversify movie offerings with international films. With some theatres’ ticket sales demonstrating Bollywood movies are out-grossing Hollywood films, it’s a strategy that Cineplex will continue to pursue. “We are playing Bollywood films, Filipino films, Mandarin films, Arabic films, Persian films... niches that we want to continue to grow.”

Despite movie revenue playing such a key role in Cineplex’s success, Jacob and his team cannot solely rely on the James Camerons and Tom Cruises of the world. Now in the financial upswing of the post-pandemic landscape, the strategy to move into FECs, as well as digital media, has paid off. In 2022, revenue increased by 16.7 per cent from 2021 to \$350.1 million,

along with a net income of \$10.2 million compared with 2021’s net loss of \$21.8 million.

After his mother Tryphosa’s death in 2010, Jacob helped build a theatre that would offer the same comfort to others that films did for both him and his mother years before. In 2013, he opened the Jacob Family Theatre at Toronto’s Baycrest health science centre, where his mother

## From Bollywood films to Hollywood hits, Jacob is committed to offering movies that reflect Canada’s diversity

had been a resident. The 170-seat theatre accommodates guests with disabilities. He was even able to convince studios to donate 700 films for residents to watch. “She loved movies,” Jacob says of his mother. “In memory of her, the theatre provides patients in wheelchairs and [with] other issues the chance to have a phenomenal experience.” ♦

## Remember the Titans

**Building Canada’s premier cinema and family entertainment chain was no solo effort, according to Ellis Jacob**

Currently, Cineplex’s board of directors includes several CPAs like himself. “It’s great to have a background in finance and accounting because it teaches you a lot of things [that] you need to know when you’re running an organization,” Jacob says. After a large number of acquisitions by Cineplex in the late 1980s, Jacob entrusted much of Cineplex’s work to new hires, many of whom were MBAs and CPAs.

“He hired me to join Cineplex [in 1988],” says Gord Nelson, CPA and CFO of Cineplex. “I’ve been with him for over 30 years, so I have a huge respect for him as a leader. When people describe him, some common terminology is he’s tough, but fair. That’s a really accurate description of him.”

Despite his large number of accomplishments and awards over the years, Jacob attributes the company’s success to his team. “We have a great number of executives, and I look at [them] like we’re a family. Whether you’re working in the mailroom or you’re CEO, I treat you the same. And that, to me, is very much the focus and drive of our business.”



# The Technology Driving Accounting Professionals Forward

Digital tools have quickly become vital for empowering accounting professionals to scale and accelerate small business success.

**From generative** artificial intelligence (AI) to machine learning, advancements in technology are revolutionizing the way we work with numbers—enabling and accelerating accounting professionals and Canadian small businesses alike. By augmenting manual routine tasks with digital technology, accounting firms can remain future-proof and competitive. It all starts with selecting the right financial management tools.

Intuit QuickBooks helps accounting professionals streamline their workflow and automate time-consuming tasks leveraging the power of their cloud-based and AI-driven platform. QuickBooks offers customizable dashboards that provide a real-time overview of information, enabling accounting professionals to see their clients' finances in one place, without spending hours sifting through spreadsheets. By automating manual tasks like data entry, expense categorization and accounts payable, QuickBooks helps accounting professionals to go beyond bookkeeping to focus on providing high-value advisory services.

“As many Canadian businesses continue to navigate the challenges of inflation and economic uncertainty, accounting professionals are important partners in providing qualitative advice and strategic financial support,” says Gary Drysdale, Director of Sales at Intuit. “By leveraging QuickBooks Online’s tools and insights, accounting professionals can leverage timely financial data to help increase their value to clients, identify opportunities for growth and recommend strategies to help achieve their financial goals.”

With demand increasing across our workforce, accounting professionals are eager to adopt new technology to improve efficiency and deepen client



relationships, they also know it drives professional development and provides opportunities for upskilling.

In March 2023, Intuit QuickBooks surveyed 2,000 Canadian accounting professionals who use QuickBooks to determine the impact of technology on the accounting industry. The survey found that 99 per cent of accounting professionals reported wanting to use technology to dedicate more time to professional development, networking, mentoring and consulting with clients.

Technology has been an important tool enabling the accounting profession and its significance is increasing, with 97 per cent of those surveyed reporting using it to meet clients' evolving needs over the past two years—with growing intrigue from within the industry. At the top of the list: AI.

Automation and AI are key areas of improvement planned to better serve business growth. There is a growing number of accounting professionals looking to harness the power of AI in service of their clients, and Intuit

is accelerating this innovation at scale to help its customers work smarter by automating, predicting and personalizing their experiences and shifting from products that enable our customers to complete tasks, to a platform that completes tasks for them with their approval.

In QuickBooks' report, *A Tech-Forward Future: Accounting in Canada 2023*, 89 per cent of accounting professionals reported believing AI can have a positive effect on the industry. In the digital age, accounting professionals that embrace technology will be able to more efficiently meet the needs of clients by providing unique value and expertise. As technology continues to evolve, so will clients' needs, and QuickBooks is committed to building the solutions accounting professionals need to support small businesses.



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BY ALI AMAD

# TLEET FOR CHANGE

**The federal government wants every passenger vehicle sold in Canada to be electric by 2035. Here are the people making it happen—and what's standing in their way.**

# IN

**2015, Carter Li**, a Toronto-based management consultant and sustainability enthusiast, found himself hitting a roadblock. Li was eager to reduce his carbon footprint and make the switch to an electric vehicle. Since he lived in a condominium downtown, he figured it would only be realistic to buy one if his building had an electric vehicle (EV) charging station. He made a proposal to his condo board, offering to pay the estimated \$30,000 required to install a charging station as an amenity accessible to all residents. To his surprise, the board turned him down, citing a lack of demand—there were only about 7,000 EV purchases nationwide that year—and more pressing priorities.


Eight years later, as global temperatures continue to rise and climate change-related disasters become alarmingly frequent, EV adoption has become a priority for governments, manufacturers, and many consumers. On-road transportation emissions account for 20 per cent of Canada's total greenhouse gas emissions. As part of its efforts to achieve a net-zero emissions economy by 2050, the federal government has set an ambitious target of phasing out the sale of new gasoline-powered cars and light-duty trucks by 2035.

On the production side, Greig Mordue, an auto manufacturing expert and engineering professor at McMaster University, insists that the philosophy behind EV manufacturing is mostly similar to that of non-EV. Last winter, the first Canadian-made all-electric vehicle rolled off the assembly line at a GM plant in Ingersoll, Ont. "Every five years or so, a car manufacturing plant needs to retool for the next generation of the model it makes," says Mordue. "The only difference now is that the model changes and retools being announced are for cars powered by batteries rather than the traditional internal combustion engine." While this relatively seamless transition won't resurrect the Canadian auto manufacturing industry or bring back shuttered factories that have relocated overseas, it will help bring the average EV price down for the Canadian consumer.

But the challenges Carter Li faced back in 2015 are still largely the same. The federal government offers rebates of up to \$5,000 for Canadians who switch to EVs—as of early 2023, more than 185,160 incentives have been provided to Canadian consumers and businesses—and yet, EVs comprised just 7.5 per cent of all new vehicle sales in 2022.

Experts point to one major hurdle preventing faster adoption: Canada's infrastructure is woefully inadequate when it comes to supporting the number of EVs on the roads, let alone the new ones to come. "The focus has often been on making EVs cheaper, but for many consumers, it's a chicken and egg situation with EV adoption," says Li. If people can't easily charge their vehicles at home or on the road, they won't buy EVs. If they don't buy EVs, businesses won't have the incentive to invest in charging infrastructure. Currently, there are more than 20,000 chargers accessible to the public in 8,700 locations across Canada. But, according to a recent study from energy consulting firm Dunskey, Canada will need nearly 900,000 charging ports by 2050. This entails nearly \$20 billion in public and private investments over the next three decades. Without a proper network of charging stations, the government's goal of 100 per cent zero-emission vehicle sales within the next 12 years will be nearly impossible to achieve.

A key challenge in building that infrastructure is that not all EV chargers are created equally, or serve the same purpose. EVs in Canada utilize three different levels of charging. Level 1 charging



**“Convincing the population that charging can be practical and easy is an essential step in the journey leading to the purchase of an electric vehicle”**

uses a standard 120-volt household outlet, similar to the one used for a toaster or TV. Depending on the charger and battery size, it can take up to 20 hours to fully charge an EV with Level 1 charging. Level 2 charging is the most commonly used method for daily charging; it's usually installed at public charging stations and workplaces, but homeowners can add them to their residences. It takes up to seven hours to fully charge a regular EV using Level 2 charging, thus providing a significantly faster charge than Level 1. Finally, Level 3 charging, also known as direct current fast charging (DCFC), can be found at charging stations along highways and can charge an EV from empty to 80 per cent in 30 to 45 minutes, making it ideal for longer trips. Most publicly available chargers in Canada are Level 2 chargers, and there are more than 1,300 DCFC stations nationwide. In the long-run, Canada's EV public charging infrastructure will



Carter Li, CEO and  
co-founder of SWITCH Energy

need to rely on far more DCFC stations. Each level of charging requires unique specialization, expertise, and capital investment, with limited current potential to scale up and drive down costs.

Despite those impediments, a growing number of Canadian companies are entering the space to build up the country's charging infrastructure. Quebec company FLO is the biggest domestic player, running a network of 80,000 Level 2 and 3 EV charging stations at locations (most of which are public) across North America. Founded in 2009, FLO develops, manufactures, and manages its charging stations in-house, with the goal of accelerating EV adoption Canada-wide. "People are reluctant to drive long distances using their EVs, such as on inter-provincial highways, because they need to know that they can charge their vehicles on the way when they need to," says Frédérique Bouchard, FLO public affairs manager.

"Investing in charging infrastructure helps [to] alleviate range anxiety and convince more Canadians to adopt EVs."

Each month, FLO's network enables more than one million charging events. Yet, drivers have complained that public chargers in Canada are often broken and poorly maintained. "A charging station is a promise to EV drivers," says Bouchard. "To fulfill that promise, FLO installs stations that are connected to a network, monitors them, and ensures swift or preventive repairs when needed. As we build a large-scale charging infrastructure, we need solid foundations, and the last thing we want is unreliable chargers weakening that foundation."



A GM plant in Ingersoll, Ont., recently converted to EV manufacturing



While FLO is transforming the public charging space, other companies are tackling the largely neglected domain of private charging for the quarter of EV owners who don't have home charging stations and the many more who lack convenient access to public charging. "Solving the specific problem of public charging is important for traveling long distances, but the average EV driver only uses public charging about three times a year," says Carter Li, the Toronto condo dweller whose condo board chose not to install an EV charging station. "The majority of the time, the pain point is really about getting charging without having to go somewhere to achieve that objective."

Inspired by that experience, in 2016, Li quit his consulting job and co-founded SWTCH Energy, with the mission of providing access to convenient charging at home to the one in three Canadians who live in apartments and condos. "Most people who don't own EVs still think of charging through the lens of a gas station. You go somewhere, you charge up, and then you come back home," he says. "However, EVs are closer to how we charge our cellphones. Eighty per cent of EV charging occurs at home, typically overnight, so it makes sense to boost our infrastructure in that space."

In North America, this boost is particularly important because research indicates that private

**“Eighty per cent of electric vehicle charging occurs at home, typically overnight, so it makes sense to boost our infrastructure in that space”**

charging will outnumber public charging 10 to one in the next 30 years. SWTCH specifically focuses on charging stations in multi-unit residential buildings since the shared infrastructure presents a bigger challenge than it does for single-family households. "If you have your own driveway or garage, you can buy a relatively simple charger for a couple hundred dollars on Amazon," says Li. "But [if you're an apartment dweller], you're dealing with shared parking lots, specific parking spaces, limited empty spots. How do you deal with those challenges?" In these cases, it can be difficult to pay for that infrastructure or sway your building to implement it. SWTCH works with real estate developers and property management companies to create economically feasible solutions that integrate EV charging into their buildings. The average apartment or condo building in Canada is more than

PHOTOGRAPHS: ASSEMBLY LINE BY JAMES COOPER. CARD READER COURTESY OF FLO

30 years old, and those buildings were never designed with EV charging infrastructure in mind. To ease the burden of the initial investment, SWTCH offers a charging-as-a-service model where all the building has to pay is a monthly fee. To avoid costly electrical retrofits and upgrades, SWTCH also works with utilities companies to integrate EV charging with a building's existing electrical infrastructure.

SWTCH is now piloting projects with BC Hydro to coordinate the most efficient possible usage of the electrical grid between the charging and utility needs of residential and office buildings. Li believes these types of collaborations with utility providers are critical to improving charging in the future, as the increased electricity demands of EVs place additional stress on the existing electrical grid, which will likely need to expand in the coming decades.

Li hopes the concerted efforts of SWTCH and other companies, as well as the federal government's investments, will create a positive feedback loop for consumers and buildings that ultimately eases EV adoption barriers. "We're already seeing a lot of repeat business from buildings that we initially put chargers in back in 2020 and 2021," he says.

Similarly, FLO's Bouchard believes that installing a new charging station, whether it's a public station located in a densely populated urban area or a DCFC in a rural community, does more than just serve the drivers who stop and charge. "You also help convince others that EV driving is a possibility," she says. "Current gas-car owners can imagine themselves charging their EV near the apartment where they live or the cottage they visit. Being convinced that charging can be practical and easy is an essential step in the journey leading to the purchase of an EV."



FLO, SWTCH, and other companies in this space all face the same obstacle: bringing the cost of EV adoption down for consumers and businesses alike. "The early deployment of a reliable public charging network across the country continues to be one of the strongest measures we can take to encourage EV adoption," says Bouchard. But, as Li and countless other EV advocates have found out, it can be difficult to encourage the private sector to make proactive investments when the demand still isn't there.

That's why the federal government is stepping in. The feds are supporting FLO, SWTCH, and other companies like Toronto-based Peak Power by investing \$1.2 billion in projects to build almost 84,500 chargers by 2027. To coordinate funding for those chargers, the government created the Zero Emission Vehicle Infrastructure Program

(ZEVIP). Last year, the Minister of Transport announced Canada will devote an additional \$1.7 billion to continue ZEVIP through 2025. This past January, as part of a tour that also included visits to mining facilities in Saskatoon, Sask., and an EV manufacturer in Windsor, Ont., Prime Minister Justin Trudeau visited FLO's facilities in Shawinigan, Que., to support their efforts.

"Things are improving but we have to step on the gas," says Li. "Current funding levels from the federal government won't be enough to get us to its zero-emission goals. Provinces need to help out too." Bouchard agrees. "The reality is that the landscape is very uneven, with some provinces doing better than others," she says. Li points to provinces like British Columbia and Quebec that have implemented provincial incentives to encourage EV adoption. Ontario, however, has no broad formalized incentive programs; instead, it has slowed its EV efforts in recent years.

EV support is also lacking in terms of regulation. For example, many municipalities across Canada require access to EV charging in apartment buildings, condos, and townhomes, but requirements for EV charging vary by province, with some noticeable gaps nationwide. In Alberta, Saskatchewan, and Manitoba, no major cities stipulate the necessity of EV charging access. Canada also doesn't have any national or provincial building codes requiring EV-readiness. According to Li, that needs to change in order to encourage building owners to be proactive in making those investments, which will become increasingly necessary since the effects of climate change are expected to worsen in the coming decades.

Thinking back to 2015, Li understands why his former condo building—he has since moved—was reluctant to approve an EV charging station. "When things are new, nobody wants to be the guinea pig," he says. "In 2015, I don't think they could have justified it as a necessity, but perspectives are slowly and steadily changing. I wouldn't be surprised if I visited the building today to find they now [have] EV charging."

Li is excited to see how Canada's EV landscape has transformed since he first entered the space in 2016, but he remains cautiously optimistic on the plausibility of hitting Canada's zero-emission vehicle targets over the next three decades. "Ongoing increased government incentives are important to keep pushing the ball forward in terms of adoption to break that chicken and egg cycle," he says. "When you look at the adoption curves of other technologies like cellphones or laptops, they naturally take off because of socio-economic factors. I don't think we're quite there yet with EV charging. If we get a few more years of incentives, the demand will follow." ♦

THE

# 43

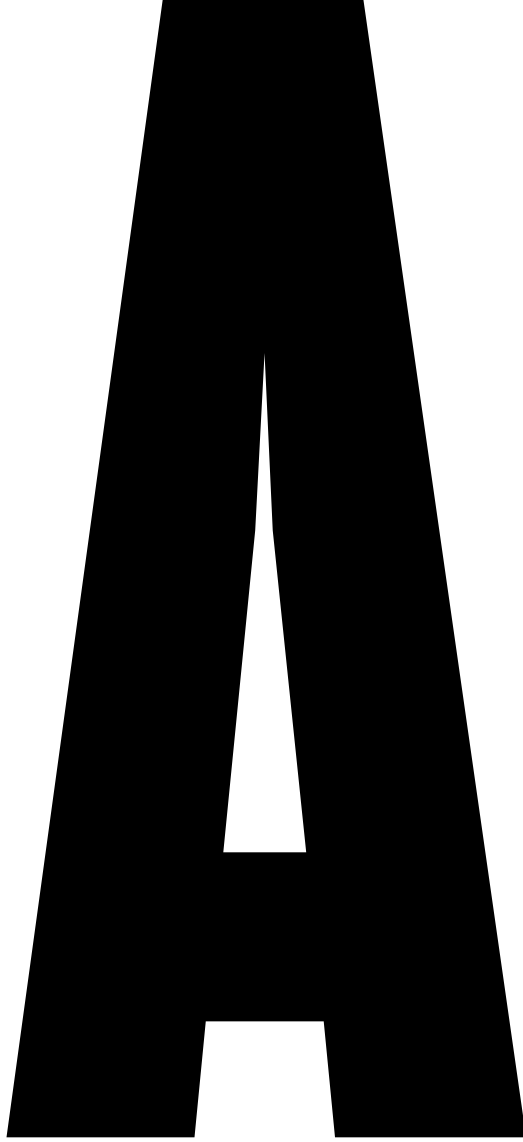


# MILLION DOLLAR QUESTION

*Michel Lanteigne, CPA, and Diane Blais  
had long been out of the corporate world  
when one last project came calling*

**BY ROB CSERNYIK**





**After careers spent rising** through the ranks at EY, both as partners—he as a tax specialist and she as a consultant—Michel Lanteigne and Diane Blais were enjoying a well-earned retirement. Lanteigne had spent the final three years of his career as a global tax leader based in London, England, and commuted back across the pond to Montreal on weekends to spend off-hours with Blais, who was enjoying a life closer to home.

As the couple grew older, they wondered—how could they put their \$40 million savings to work, not only to create a legacy but, more critically, to create an impact?

With 80 years of combined experience at EY, they were no strangers to working together—they even co-authored a book on financial planning in the '90s. “We’re used to being a team,” says Lanteigne.

The couple had previously written wills with separately chosen bequests. “But we thought that putting together all that money would have a more significant impact than giving a little here, a little there,” Blais adds.

While Blais planned to distribute her bequest among multiple causes, for Lanteigne, there’s always

been one particularly close to his heart. In 1989, Benoit, his son from a previous marriage, died at age eight from leukemia. He’d spent more than half his life ill before passing away in Lanteigne’s arms. At the time, typically only half the number of children with the illness survived.

Despite medical advances in the past 30-plus years, one in 10 children with leukemia still die from the disease and about 1,500 Canadian children receive a cancer diagnosis annually, with roughly 20 per cent of them in Quebec. Over the years, Lanteigne and Blais helped raise millions for organizations like Foundation of Stars, a non-profit supporting paediatric medical research in Quebec. Lanteigne even served on its board, as well as that of the Montreal Children’s Hospital where Benoit received treatment. Eventually Blais decided that she, too, would direct her wealth to supporting children’s health.

As natural as Lanteigne’s decision was, he was struck by Blais’ remarkable generosity. Blais wasn’t Benoit’s mother (the pair don’t have children together), and though volunteering time and energy to children’s causes is one thing, to devote the fruits of an entire career is another. “It takes a special woman to do something like this,” Lanteigne says.

The couple started discreetly taking meetings with different Montreal-area hospitals (the Montreal Children’s Hospital, the Jewish General Hospital, and the Centre Hospitalier Universitaire Sainte-Justine) to learn how their \$40 million—what would become the largest donation to date to a hospital in Quebec—could be put to work. They wanted the money to specifically help children with cancer and not simply support the hospital overall.

In the past, the biggest factor to influence donations was whether the donors were emotionally connected to the cause. For instance, Myron and Berna Garron have donated millions to healthcare institutions in memory of their son Michael, including \$50 million to the East Toronto hospital, which now bears his name. Across the country, philanthropist causes and passions are reflected in namesake buildings, educational institutions and scholarships. Now, it’s more common for donors, Blais and Lanteigne included, to look deeper, wanting their gifts to create impact, seeking to know how and when funds will be used, and to look for a fit between goals and values of donors and recipients. There are also questions about how to structure such donations to ensure charities and donors alike are benefiting and by making sure they are tax advantaged.

With the big picture decided, but still many new questions to answer, Blais and Lanteigne found themselves in familiar territory. “We started our project like we would have done with a client project at EY,” Blais says.



**B**ruce Ball, CPA Canada’s vice-president of taxation, notes that sometimes donors making larger gifts can be less worried about taxes. He even remembers working with one client who wanted specifically to make a large one-time donation, even though it would have been more tax-efficient for the client to spread it out.

“You get a five-year carry forward if you make gifts during your lifetime,” he says. “A larger gift might be easier to use from that perspective—more years to spread it out.”

A bigger concern today is “impact,” as in creating measurable environmental or social benefits. It has gone from a fringe of the business world to a mainstream talking point. Investors look at ESG criteria or other measures of impact when putting money to work. Consumers seek products from local suppliers or companies that create positive offshoots. And charitable donations aren’t just expected to do good but to create a measurable good.

Consider the headline-making donations from Mackenzie Scott (formerly Bezos, of Amazon fame). She has donated more than \$19 billion of her wealth

with the goal of creating positive impact for a variety of organizations and the work they do. On her website, Yield Giving, is a set of criteria she uses to direct her giving, with measurements such as “high potential for sustained positive impact, including stable finances, multi-year track records, measurement and evidence of outcomes, and experienced leadership representative of the community served.”

But it’s not only billionaires asking these questions. Even everyday donors making modest donations seek this information, which is increasingly at their fingertips. It’s not only highlighted in annual reports but also on websites like Charity Intelligence or GiveWell.org, which provide impact data for donors to compare between charities.

While donors like Blais and Lanteigne often contribute funds to organizations they have a connection or history with, some giving habits are shifting, says Sharilyn Hale, a former non-profit executive and founder of the Watermark Philanthropic Counsel in Toronto.

“Increasingly, donors are looking for organizations they can partner with to accomplish something specific, even if it’s an organization new to them,

▲  
Blais and Lanteigne at the announcement of the new CHU Sainte-Justine wing named after Lanteigne’s late son, Benoit





so research and conversations about goals and alignment become very important,” she says.

Though hospitals and universities still get the largest gifts, Hale has noticed new generations of donors wanting to fight the climate crisis (now the third most common charitable cause in Canada) and “looking very closely at social and economic justice and ways to tackle these issues at a systemic level.”

In Canada, donors like Blais and Lanteigne with a net worth of more than \$1 million are among the biggest influences for philanthropy. They’re estimated to make 60 per cent of all claimed donations, and the areas they choose to fund can significantly affect environmental, health, and social issues, which have an impact on wide swaths of Canadians.

Hale says one of the most critical questions that donors in this range need to ask themselves when donation planning is whether they have confidence in the organization, including in its leadership and its ability to deliver. But it’s also critical to ask more

practical questions, including terms of the gift, like how it will be funded and fulfilled.

Adam Aptowitz, a tax lawyer with KPMG in Ottawa, adds that clients need to consider which assets they’re looking at donating. “For example, if you have environmental property, there are tax advantages to giving it to, let’s say, a land trust [rather] than giving it to a soup kitchen.”

He also says it’s important to discuss donations with family members. He knows of a donor who was once interested in bequeathing an art collection to a charity but hadn’t discussed it with their children before making the first overtures. In the end, the kids wanted to keep some of the most valuable works, which led to the charity losing interest in the donation since the value of the donation changed significantly.

For Blais and Lanteigne, the most critical questions as they started the process—which ultimately lasted approximately eight months—was in relation

▲  
**After exploring how best to put their savings to work, Michel Lanteigne and Diane Blais decided to focus their bequest on supporting children’s health**

to when they could see the first child benefitting from their donation.

“If we can save one kid, then for Diane and me, I think we’ll be able to say we’ve done our little part,” Lanteigne says. “We want to have an impact, and we want to see it while we’re alive.”

Though Lanteigne had familiarity with childhood cancer from Benoit’s experience, the couple took it upon themselves to learn about the medical technology in use today. They wanted to make sure they chose a project based on the most recent data and with a well thought-out plan. It wasn’t enough to be forward-looking; they wanted a clear, specific plan that included who was going to be involved to bring it to fruition.

Their process involved little strict planning, they say, but there were a lot of meetings with different stakeholders—from hospital executives to researchers—to see where there was common ground between their needs and those of the hospitals. While the hospitals knew the couple were shopping their donation around, the pair kept the exact details of each proposal under wraps.

The best meetings during the process brought more than just fruitful discussions about potential projects to the table. “The feeling they gave us was comforting,” Blais says. “It’s something that wasn’t just a technical discussion. It was deeper than that.” But not every donor has to go so in-depth. One tactic that donors can take, Lanteigne suggests, is reviewing past achievements and future plans of a potential recipient organization to see how they align with donor values.

Lanteigne also wanted the donation to be structured efficiently to create results and, as a tax expert, he also wanted it to be tax-efficient. That’s why the donation is being made annually, with the balance

**“IF WE CAN SAVE ONE KID, THEN FOR DIANE AND ME, I THINK WE CAN SAY WE’VE DONE OUR LITTLE PART,” SAYS MICHEL LANTEIGNE. “WE WANT TO HAVE AN IMPACT, AND WE WANT TO SEE IT WHILE WE’RE ALIVE.”**

to be donated to the foundation upon their deaths. Lanteigne hopes that making the donation as tax-efficient as possible will not only maximize the donation but perhaps enable it one day to total more than the \$40 million promised.

Once all the information was in the couple’s hands, it wasn’t easy to decide.

“All the projects were very interesting, very focused,” Blais says. “We found at one point that \$40 million was not enough. We would have liked to give to [all] three of them.”

But, in the end, they could choose only one.

**O**n December 15, 2022, the announcement went public and became headline news across Quebec. Blais and Lanteigne were donating \$40 million to the CHU Sainte-Justine Foundation to support pediatric oncology research.

“A portion of this gift will create the Innovative Oncology and Hematology Treatment Development Fund, supporting important work that begins today thanks to their generosity,” the hospital stated in a release.

The fund, created by several CHU Sainte-Justine doctors, is designed to explore new treatments for childhood cancers—which may include techniques like genome editing and stem cell engineering—that can help children in Quebec while contributing to knowledge in the wider field of childhood cancer treatment.

Neither Blais nor Lanteigne were content to sign a cheque and have that be the end of their involvement with the project. The pair will sit on a governance committee that oversees the project, and Lanteigne notes that the lead researcher “can feel the pressure” that the couple wants to see results. The first results of advancements funded by the couple’s donation may occur in as early as two years, in 2025.

With the announcement came a coda: the hospital’s specialized care building will soon bear the name of Benoit Lanteigne.

The couple says giving the donation in December was the best Christmas gift they’ve received, and after the news came out, they received touching notes from friends, old coworkers, and parents of sick children.

Lanteigne notes that losing a child affects a parent for a lifetime, but that going through the donation process brought him and Blais new feelings of happiness and serenity.

It also offered a new goal to aspire to, with the sort of impact they couldn’t have in other projects they worked on during their careers.

Lanteigne says, “If we can help save the life of another little Benoit out there, then we will have done something worthwhile.” ♦

# MOVING TARGET





# Canadian companies and investors have much to gain from ESG. Yet its benefits risk being overshadowed by some vocal critics.

BY SRIVINDHYA KOLLURU

**M**any in the U.S. and Canada have latched onto a hotly debated investment philosophy: ESG, or the ways in which a company's commitment to the environment, social issues, and corporate governance affect its bottom line. While American politics are far more polarizing, ESG has still become the target of some politicians north of the border, namely Alberta Conservative MP Tom Kmiec. Last year, Kmiec proposed a bill that would require shareholder approval before a company made any statements on social or political issues, i.e., ESG.

Still, Kmiec might find himself part of a noisy, but small, group of ESG critics. At least in this country.

"In Canada, we have a lot at stake when it comes to the sustainability conversation that makes us quite unique from the U.S., and yet a little less likely to see the same level of headwinds toward ESG," explains Sarah Keyes, CEO of ESG Global Advisors. "That's actually because our natural resource sectors, namely oil and gas and mining companies, have been providing ESG disclosure and developing ESG and climate change strategies for a long time in order to access capital."

Indeed, Enbridge, North America's largest natural gas utility, is one of the firms that already takes ESG seriously—going so far as to host an "ESG forum" in 2021. And, Enbridge is just one of the dozens of Canadian public companies that have seemingly embraced ESG, along with Royal Bank, Canadian National Railway, Rogers, Telus, Teck Resources and Sun Life Financial.

As well, some of the world's biggest investment firms, including BlackRock, have funnelled billions of dollars into their ESG strategy, with these investments making up a fast-growing chunk of their assets under management. In Canada, Caisse de dépôt et placement du Québec (CDPQ), Canada's second-largest pension fund, has pledged to make its holdings more environmentally friendly. In 2021, CDPQ said it plans to increase its exposure to low-carbon assets from \$39 billion to \$54 billion by 2025.

Despite its growing presence, some experts say Canadian companies are making slow progress on corporate sustainability reporting to stakeholders—and that there should be clear, measurable metrics for ESG reporting, along with practices that can better hold corporations accountable for their promises.

# BUT FIRST, WHAT IS ESG?



**Some components of ESG** date back to the 1960s, but the ESG umbrella term most investors are familiar with now was solidified in the 2000s. It was in 2004 that ESG was formally coined in a report by the United Nations titled “Who Cares Wins.” The report, developed in collaboration with 18 financial institutions across the world, offered various recommendations for weaving ESG factors within the financial sector—from companies to stock exchanges to asset managers. In 2009, in the aftermath of the Great Recession, ESG gained greater momentum. Many Americans blamed banks for the crisis, condemning financial institutions for letting greed overtake proper governance. The public wanted institutions to devote more resources to issues other than cash flow and long-term debt, as well as focus on social and environmental issues. Investors began taking heed, putting around US\$23 trillion towards assets that incorporate some element of sustainable

investing as of 2018. That number is expected to soar to around US\$34 trillion in 2026, according to PwC, as ESG-focused institutional investments skyrocket by 84 per cent over the next few years.

## **The state of the ESG nation**

While flaunting ESG can please consumers and investors, policies surrounding ESG reporting in Canada are currently a messy patchwork of regulations and guidelines. This is because, when it comes to ESG, there are no set global standards for companies to abide by.

The regulations in Canada are all at different stages, says Keyes. In late 2021, the Canadian Securities Administrators released a proposal that would require all public Canadian companies to report climate change disclosures.

“But that has been put on hold right now while the regulator is waiting for the development of the global standards,” says Keyes. Currently, the International Sustainability Standards Board is working on accounting standards, which Keyes says are expected to be reviewed and endorsed by the Canadian Sustainability Standards Board (CSSB). But, even the CSSB is just becoming established: The board recently announced their chair, former president and CEO of CPA Canada, Charles-Antoine St-Jean.

In March 2023, Canada’s financial regulator announced that banks and insurers will need to begin reporting climate-related risks starting in 2024. But “it does have a number of areas where it is going to be subject to updates, so [it] can harmonize with other regulations,” says Keyes. This means



**88**

Percentage of  
TSX firms that  
disclose their  
emissions

**84**

Predicted  
percentage  
increase in ESG  
institutional  
investments  
by 2026

**77**

Percentage  
of Canadian  
companies that  
don't disclose  
a TCFD report

that Canadian companies have to report things like their greenhouse gas emissions, although many of them already do so in the hopes of attracting additional investment. Indeed, Canadian companies that do disclose their emissions make up 88 per cent of the Toronto Stock Exchange's market cap.

The lack of a standardized framework signals a big problem for companies and investors. Currently, either a company will measure its own ESG progress according to its own set of standards, or it will use a score developed by rating agencies—such as S&P Dow Jones or Thomson Reuters. This means that as investors, comparing one fund or firm's progress on ESG to another can sometimes feel like comparing apples to oranges, making it harder to differentiate the companies that are serious about their commitments versus the ones that are not.

With a growing number of investors depending on ESG reporting, a recent PwC report finds "Canadian companies are missing important opportunities to add credibility to their sustainability disclosures." One of these is the Task Force on Climate-related

Financial Disclosures framework. Introduced in 2015, the TCFD framework was established to develop a consistent manner for companies to report their climate-related financial risk disclosures to investors and other stakeholders. Per the report, 77 per cent of the Canadian companies evaluated do not disclose a TCFD report

"We are seeing an improvement compared to last year. However, actual progress is failing to keep pace with rising stakeholder expectations," said Sarah

Marsh, Partner, National ESG Report and Assurance Leader, PwC Canada, in a 2022 news release.

For publicly-traded companies that publish annual reports, there's a real motivation to dedicate sections of the report to ESG, says David Soberman, a professor of marketing at the University of Toronto. This is because mutual funds and investors use that as a basis for deciding where they will place their money.

"But when you're in a situation where people don't agree on things, there tend to be many different standards," adds Soberman. "So what happens then is that funds and investors establish their own standards, whether you like them or not."



## There are other motivations for committing to ESG standards and disclosures.

Vowing to ESG principles earns some companies social clout, especially from younger consumers. The millennial and Gen Z cohort accounts for over 40 per cent of the world's population, and many care deeply about their societal and environmental impact.

# There's only a messy patchwork of guidelines instead of firm ESG standards for companies to use

That societal clout can translate to cold, hard cash. Almost two-thirds of young millennial investors have some exposure to ESG investments. On the corporation side, there are noticeable returns for companies that uphold—or at least claim to uphold—ESG values. According to CIBC World Markets, money flowing into ESG funds has doubled every year since 2018. In the first half of 2021, global funds almost approached record levels hit in 2020, bringing total assets under management to about US\$1.5 trillion. Soon, companies both in Canada and around the globe might not have a choice. According to a report from McMillan LLP, a Canadian business law firm, companies that opt out of non-mandatory ESG reporting may later be forced to comply anyway as regulatory landscapes evolve to reflect the societal demands for things like greener corporate practices and inclusive workforces. There are benefits for the C-Suite, too, as a 2022 report from WTW found 80 per cent of Canadian public companies use at least one ESG factor in putting together their executive compensation plans, including annual bonuses. Another benefit of ESG is that it can help companies, including start-ups, access more capital that can fast-track their growth.

## The backlash against ESG

For all the fans of ESG, there are also equally vocal critics who say the strategy is nothing more than virtue signalling. That criticism has taken centre stage south of the border, where ESG has been caught in an intense political crossfire. Since late

2022, ESG's apparent influence in corporate spheres has drawn the ire of some Republican politicians. In December 2022, Florida Governor Ron DeSantis singled out BlackRock for its ESG investing, withdrawing US\$2 billion from the world's largest investment firm. (BlackRock oversees around US\$8 trillion in assets.) DeSantis complained about BlackRock's "woke" investment strategy, which he said, "sacrifices returns at the altar of the select few, unelected corporate elites and their radical woke agendas." Since then, Republicans in other states, such as Texas and Louisiana, have pulled billions of dollars from BlackRock's management.

The heated back-and-forth reached a boiling point in late March when it made its way into the Oval Office. U.S. President Joe Biden used the first veto of his term to defend a ruling on ESG investing.



Florida governor  
(and ESG foe)  
Ron DeSantis

# 80

Percentage of companies that use at least one ESG factor when developing executive compensation plans

His veto blocked a Republican effort to prevent retirement fund managers from evaluating environmental and social concerns in their investment decisions.

Yet, Keyes says that despite all of the noise in the media about the anti-ESG sentiment and the politicization of it in the U.S., the country's Inflation Reduction Act has unleashed an incredible amount of capital into low-carbon products and solutions.

It's clear that there remain many gray areas in the world of ESG. From a puzzling patchwork of regulations to various ranking methodologies, stakeholders and everyday investors will need to do proper due diligence when evaluating the true impact of a firm's social and environmental pledges.

"I think the sentiment in the U.S. is being noticed by both Canadian investors and Canadian companies," says Keyes. "I would say the reality of the fact, though, is that the capital markets care more about policy than politics." ♦

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How Felix Böck is hoping to save Canada's forests, one chopstick at a time **BY LORA GRADY**

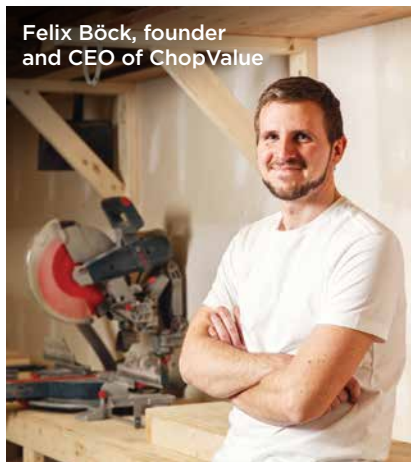
Everything changed for Felix Böck after a frustrating day at work and a sushi dinner in 2016. Having completed nearly two years of research for Metro Vancouver and the University of British Columbia, Böck, an expert in wood engineering, presented his sobering findings to industry leaders in construction and forestry at a seminar. He discovered that each year, 400,000 to 600,000 tonnes of waste is created in Vancouver alone just from the housing market. Part of the presentation focused on how Böck could transform low-quality fibers, such as bamboo, into high-performing materials, reducing the environmental footprint of traditional materials like plastic, carbon fibers and steel. At the end of the day, audience members patted Böck on the back and congratulated him—but not one attendee asked how they could be part of the solution.



“I thought, ‘If you think this was a successful day, then you haven’t gotten the point,’” says Böck. That evening, he went out for sushi with his partner. “She challenged me to start with something small that everyone understands,” he says. “I used to joke that if I ever ran out of bamboo as a research material, I could just start collecting chopsticks.”

But the joke quickly became a real idea. The next day, Böck began working on prototypes for what would become ChopValue, a Vancouver-based company that uses recycled chopsticks to create gorgeous wood items, such as home décor, coasters and more.

When you look at the numbers, Böck’s idea to use chopsticks as a sustainable material makes total sense. North America imports nearly



Felix Böck, founder and CEO of ChopValue

Being eco-friendly is part of ChopValue’s DNA. In addition to converting waste into a valuable resource, keeping production local also makes a big impact. And, while

city that the business expands to. That’s where the chopsticks are sorted, cleaned, dried and pressed into tiles. Those tiles make up the engineering material for all ChopValue products, which now includes restaurant tables, desks and feature walls. “We have to reduce the stress on our natural resources and make sure that landfills don’t continue to grow,” says Böck. “But the logistics that come with every product-focused company are actually most challenging. And we’re solving with our micro-factory network.”

ChopValue recently celebrated a major milestone: 100 million chopsticks recycled in cafes. Now, Böck is focused on sharing his micro-factory technology to be used with any wooden products. “There is so much waste that can be transformed into beautiful new products,” he says. “We really don’t need to harm trees or our forests—we already have the resources.” ♦

## “I USED TO JOKE THAT IF I RAN OUT OF BAMBOO AS RESEARCH MATERIAL, I COULD START COLLECTING CHOPSTICKS”

40 billion chopsticks from China every year. In Vancouver, restaurants go through 100,000 chopsticks every day, and in Toronto, that number is up to 200,000. To reduce waste, ChopValue supplies restaurant partners with chopsticks, then picks up the used utensils for processing.

developing the product line for ChopValue, Böck came up with a sustainable micro-factory concept for production. Instead of having one huge factory, which would require shipping resources (and by extension, a lot of greenhouse gas emissions), there are micro-factories built in every

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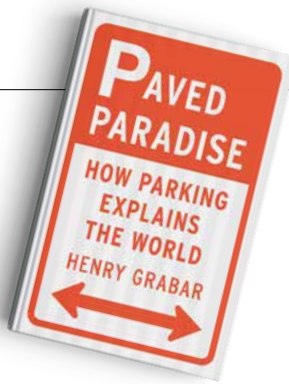
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BOOK VALUE

# GOOD INTENTIONS

Henry Grabar's well-researched investigation into how parking infrastructure shaped cities, culture and attitudes. **BY BRIAN BETHUNE**



As Henry Grabar wisely notes in one of the most illuminating and rage-inducing books ever penned about why North American cities look and feel the way they do, “whoever said life was about the journey and not the destination never had to look for a place to park.” Nothing has exerted dominion over urban life in the past century like “the parking problem,” argues Grabar’s *Paved Paradise: How Parking Explains the World*, and nothing engages urbanites like it either, albeit not in the most rational of manners. There are mind-bending stats studded throughout *Paved Paradise*—10 more Dodger Stadiums could fit inside the vast parking lot that surrounds Los Angeles’s baseball stadium, for one. But two facts

from the opposite ends of the spectrum best capture North Americans and their visceral relationship with parking.

For one, the only way to obtain a free, reserved parking spot at the University of California’s Berkeley campus is to win a Nobel Prize—think about *that*—and, for the other, every year “a few dozen” homicides result from parking disputes in the U.S. Either of those realities makes it very hard to gainsay Donald Shoup, one of America’s few parking scholars: “Thinking about parking seems to take place in the reptilian cortex, the most primitive part of the brain, said to govern instinctive behaviour involved in aggression, dominance, territoriality, and ritual display.” That’s why studies show drivers

take 21 per cent longer to leave a spot if someone is waiting for it—suddenly reluctant to abandon it *because* someone else wants it—and take 33 per cent longer if the covetous driver honks.

However hard-wired our behaviour, Grabar is unsparing in setting out how we have unthinkingly reinforced it in ourselves. As car ownership exploded between the world wars, bringing expanded suburbs and decentralized retail shopping, panicky downtown business districts—and their supportive city councils—saw an obvious solution to an obvious problem: we need more parking. American cities began to suburbanize themselves, levelling (rather than re-purposing) older buildings for parking lots, widening streets (lopping stoops off the townhouses on Manhattan’s Lexington and Madison Avenues) and giving up that expanded public right-of-way to private car parking.

The pace only accelerated after the Second World War. By 1980 Los Angeles County, once home to one of



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the densest trolley networks in America, was building 850 parking spaces a day. The county maintained that pace until there were an estimated 18.6 million spots by 2015, enough to cover more than 500 square kilometres. The result had its psychological ramifications. It instilled in drivers, Grabar writes, the expectation that parking should be free, right in front of where they wanted to go and immediately available—all while creating a world where not getting more than two of those three attributes at a time is beyond frustrating.

Like new expressways, parking proliferation brings increased traffic far more than it eases existing congestion: studies estimate that approximately 30 per cent of the traffic clogging central business districts is actually looking for a place to pull over, even while for-pay parking spaces remain empty. At Virginia's Newport News Shipbuilding, employees sometimes arrive hours before their shifts and finish sleeping in their cars to procure prime spots—and they do this after the city levelled its attractive downtown to create 20 square blocks of parking.

The practical outcomes, including the flooding and urban heat-island climate effects brought about by huge swathes of pavement as well as the gutting of mass transit, are even more destabilizing. Mandated parking minimums mean parking spaces can account for more than half a building project's total space. In Los Angeles, parking spaces are more obligatory than toilets—a two-bedroom apartment requires only one of the latter, but two of the former. In housing, form doesn't follow function, it follows parking requirements, and Americans just stopped building small and affordable housing. Nation-wide, construction of buildings with two to four units fell more than 90 per cent between 1971 and 2021. The contemporary housing crisis in the U.S.—and in Canada—has more than one cause, but parking is one of the largest. Los Angeles, queen city of the car, is also one of the least affordable cities in America. “Car-centric transportation

requires car-centric land use,” Grabar writes, “which requires car-centric transportation, and so on.”

The tide has begun to turn in the 21<sup>st</sup> century, with parking minimums severely reduced in many cities, especially around proposed affordable housing, but the car-centric world has long been as set in concrete as an expressway overpass. When almost any level of housing has required you to “drive till you qualify for a mortgage, and then spend the rest of your life driving to work,” as *Paved Paradise* puts it, scarce or pricey parking takes on outsized importance. Grabar sympathizes with people literally driven into that position, and no longer thinks there are easy answers to an issue a century in the making. “Parking as we knew it is dead,” he concludes, but what can or should take its place remains unknown. ♦

## DRINKS

# IN THE CAN

What's behind the rise of canned cocktails? **BY CORRINA ALLEN**

Unsurprisingly, perhaps, 2020 saw an upswing in alcohol consumption. During the worldwide lockdown total beverage alcohol consumption rose 2 per cent in the U.S., an increase the size of which had not been seen in 20 years, reported IWSR Drinks Market Analysis. Interestingly, the following year, ready-to-drink or canned cocktails were the fastest growing spirits category, in terms of both revenue and volume. It seems that while some of us were DIY-ing everything, others wanted to leave the blending and mixing of cocktails to the professionals.

While the rise in popularity of ready-to-drink cocktails might have shocked the likes of purists like *Mad Men's* whiskey-sipping Don Draper or the Cosmo-imbibing Carrie Bradshaw of *Sex and the City*, these canned alcoholic beverages have become a favourite across demographics, appealing to

a range of age groups while finding a strong foothold among Millennials and Gen Z drinkers.

“People across [all legal] age groups are buying RTD cocktails,” says Claire Lancaster, head of food and drink for trend forecasting company WGSN, adding that, “the proliferation of new, diversified styles — including offerings with spirits like crystalino or rosé-styled rosa tequila, mezcal or lesser-known agave spirits, regional whiskies, sake, aperitif and spritz styles, as well as hard waters and spiked teas and coffees — particularly attract ‘foodie’ Millennials and Gen Zs.”



Lancaster points to the fact that these groups, who often drive new trends across the cultural landscape and promote or share them on social media channels, are known for seeking out new or innovative products and for experimenting with their food and beverage choices. “They’re looking to these products not just for taste, quality, or convenience,” she says, “but as avenues to experiential discovery.”

Today, ready-to-drink cocktails are not only more widely available on the Canadian market, but there are also more varieties on offer. In this expanding sector, brands are being pushed to compete to create drinks that stand out, and they’re doing so by featuring premium ingredients. Lancaster sees “a shift toward quality spirit-based cocktails with short,

‘clean’ labels made up of natural, non-synthetic, organic, seasonal, and local ingredients,” that will drive further growth by appealing to key consumer priorities. Those priorities include slightly healthier drinking options that offer lower sugar content, and lower calories and carbohydrates in comparison to wine or beer as well as drinks made with top-tier spirits from recognizable brands.

## **LOCKDOWN MADE DRINKERS MORE COMFORTABLE WITH THE IDEA OF DRINKING COCKTAILS OUT OF A CAN**

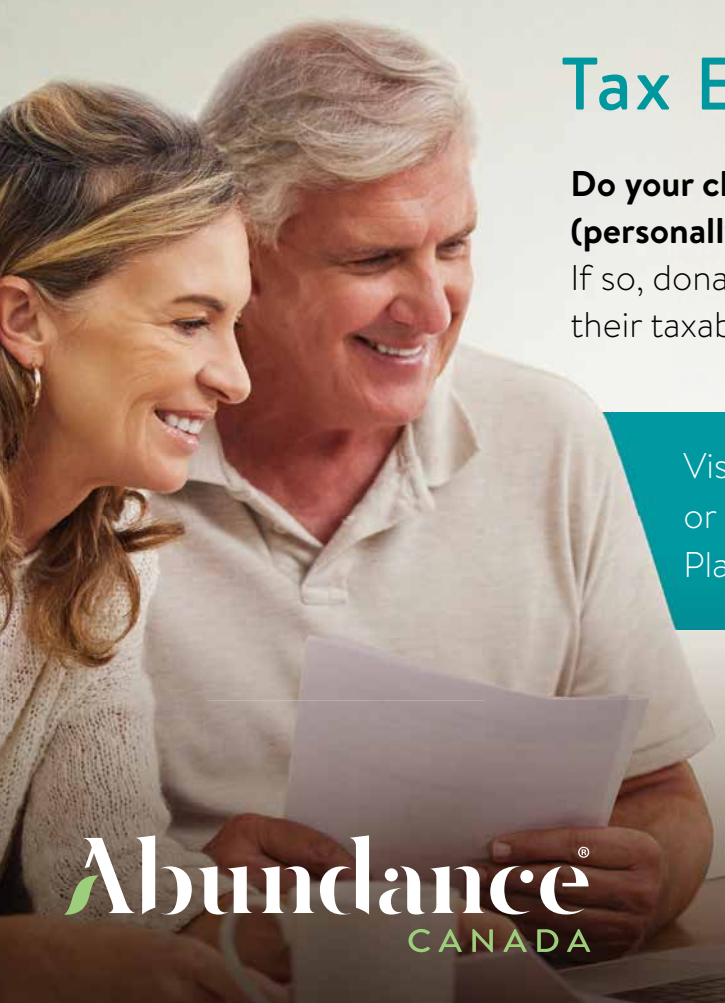
The appeal of these cocktails is both about what they have *and* what they don’t have. Vita Coco’s collaboration with Captain Morgan on a trio of canned cocktails will feature the health-conscious ingredient coconut water as the base. The drinks, which debuted this spring, include a mojito, a piña colada, and a strawberry daiquiri. “If you go to Brazil or Southeast Asia, coconut water

is what you mix with cocktails,” Vita Coco co-founder Mike Kirban told CNBC earlier this year. Through its partnership with Captain Morgan, the brand’s goal is to introduce consumers to the idea of coconut water as a go-to cocktail base — one they’ll eventually turn to when ordering a drink at the bar mixing their own at home. It’s the kind of smart, collaborative strategy you would expect from a label that holds

an impressive 50 per cent share of the coconut water market in the US. A second example is green tea, another sought-after ingredient among health-conscious consumers. It has a starring role in a ready-to-drink cocktail from beverage company Arizona. As a bonus, their vodka-based canned cocktail also features a side of ginseng and a dash of honey for sweetness.

This past spring, Ontario’s main alcohol retailer, the LCBO, debuted a list of 90 RTD beverages (including hard seltzers and beer-based drinks). The list included cocktails that will, via your tastebuds, spark memories of your younger years (see: Tahiti Treat Fruit Punch Soda & Vodka or Free Sushi’s Electric Blue Raspberry cocktail) and others designed to elevate social gatherings with more sophisticated mixologist-inspired flavours (try: the French 75 Gin Cocktail or a NOROI Sparkling Cosmo that’s easily worthy of a *Sex and the City* cameo).

“Many people tried ready-to-drink cocktails for the first time during the pandemic,” says Lancaster, when the initial appeal was about convenience. Now, it’s become about “meeting consumers where they are,” she says. Whether that’s at home by the pool, at a picnic or backyard barbecue, or in any space where portability and quality are important but a shaker or a muddler simply aren’t on hand. ♦



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SCIENCE

# MAGIC MUSHROOMS

Why fungi are in the innovation spotlight **BY SARAH LAING**

When Stephanie Lipp and her partner, Leo Gillis, moved from Ontario to Bonavista, Newfoundland, the plan was to start a gourmet mushroom farm in the rural town, three hours outside of St. John's. They envisioned a community hub where locals and tourists could come and learn, which would help to address food insecurity—a major issue in outport communities like these.

They began the process of building the business while enrolled in Genesis, an eight-week business accelerator program. But as they began raising money, the co-founders of what would become MycoFutures North Atlantic realized that their dream needed an “exportable element.” That is, something they could sell that could endure long-distance travel. They first considered health supplements then later landed on mushroom leather..

“We’d always said we wanted to do materials one day, when we were more established in our farm,” says Lipp, “but one of our advisers said we should just go for it because materials are really hot right now, and needed.” They thought about it for a week, and then took the plunge, changing their entire business plan four weeks into the accelerator program.

Within three months, Gillis, who has no formal training in science, had produced their first postage stamp sized piece of “leather” made from mushrooms. Shortly after, Lipp won a pitch competition that helped them raise most of their early capital. Since then, it’s been a whirlwind for these accidental clean tech entrepreneurs, who have been learning about the start-up landscape at the same time that they’re working on perfecting their leather, which is still in the R&D phase.



MycoFutures North Atlantic's petri of potential

## BIG NAME BRANDS ARE TURNING TO FUNGHI FASHION-ISTAS TO PRODUCE NEW PRODUCTS

Using a proprietary, toxic chemical-free tanning method, they’ve successfully made a few items from leather they’ve grown—a cardholder, a pair of earrings—though they’re still nailing down details like how to create different textures or colours. The company already has a line-up of eager, smaller fashion brands ready to test initial prototypes, clamouring for the day when they’re able to respond to customer demand and go to market with products made from a more sustainable, ethical alternative



to animal leather. And that excitement is part of a much larger groundswell of enthusiasm for all things fungi.

From packaging to plastics and psychedelics that could offer an alternative to traditional mental health therapies, mushrooms in various forms and applications are having a moment in the innovation spotlight, captivating researchers, entrepreneurs and consumers alike. In February, the journal *Science Advances* published research claiming that *Fomes fomentarius*, a large hoof-shaped fungus that grows wild in many places around the world, could soon be used to replace fossil fuel produced plastics. And in May last year, British designer Stella McCartney debuted the first luxury handbag made from mushroom leather, created in partnership with Bolt Threads, whose Mylo fabric is backed by investment from a consortium of big-name brands including Lululemon and Adidas.

As for how you actually make leather, or anything that’s not *pasta ai funghi*, from mushrooms? That’s where mycelium comes in. In the simplest terms, a mycelium is a root-like system, an intertwined network that

grows out of spores and works together as one giant organism. The thing we'd call a "mushroom" is actually the "fruiting body," which is the result of the mycelium breaking the surface in search of air and light.

When humans try to make various things out of this mycelium, the goal is usually to encourage it to grow as densely and as thickly as possible, usually within a mould of some kind to give it the desired shape, built on a "substrate," an underlying layer of a food source for the spores. Just ask Joseph Dahmen, an associate at the University of British Columbia's School of Architecture and Landscape Architecture and co-founder of Watershed Materials LLC. In 2013, he and his partner Amber Frid-Jimenez were in search of a more sustainable alternative to polystyrene for some architectural landscape installations their design firm was working on at the time. This led Dahmen to emerging research around mycelium biocomposites, which he describes as "mushroom-based materials [that] have similar strength and thermal resistance of polystyrene foams, but are less environmentally intensive to produce, and are fully biodegradable at the end of life."

With help from students and university staff, Dahmen was able to create one of these mycelium biocomposites using locally-sourced oyster mushroom spores and alder sawdust that had been sterilized to remove any other competing microorganisms. That initial experiment was turned into six benches that sat outside of UBC's bookstore until they were composted a year later and used to enrich the soil at the university's nursery. They're gone without a trace except for the positive impact they had on the wider ecosystem—and that's the point.

Dahmen's lab is now doing exciting work with building and construction industry partners that will combine mycelium material and 3D printing technology "that will enable us to 3-D print living buildings that are dynamic and self-healing," he says. If you're at

UBC's botanical garden this fall, look out for the 3D-printed mycelium-based composting toilet that he and his team are testing.

Back in Ontario, Lipp is motivated by a similar passion for the earth's wider wellbeing. "Our ultimate achievement will be when we can put this in electric vehicles or public transit seating," she says. "The biggest takeaway for anyone looking at mushrooms, or new materials in general, is taking a regenerative lesson from them." ♦

**ART**

## HOME STRETCH

Toronto-born, New York-based creative director Josef Adamu on the power of diaspora stories  
**BY TAYO BERO**

What does "home" mean to you?

That question is at the heart of an upcoming exhibit at the Art Gallery of Ontario featuring the work of Toronto creative agency Sunday School—and it's one that the agency's founder, Josef Adamu, has spent the last several years working to answer.

Adamu launched the agency in 2017 with one goal in mind: to use storytelling to amplify the identity, culture and experiences of underrepresented communities, with an emphasis on the Black diaspora.

A child of Nigerian immigrants who was born and raised in Toronto, Adamu knows what it means to live one experience, but to see a completely different narrative written about your community. It's his desire to bridge that gap and to reclaim the power of cultural storytelling.

Through collaborations with brands like Nike, alongside a slew of passion projects that have taken both him and the Sunday School brand across the globe, Adamu has made a name for himself as a champion of diaspora stories—and from May 2023 to May

2024, a selection of those works titled "Feels Like Home" will be put on display at the AGO to mark the sixth anniversary of the agency's founding.

On a Zoom call from his current home of New York, Adamu talked to *Pivot* about his journey to finding success, and why nuance and intention are central to his storytelling ethos.



Kreshonna Keane, *Ten Toes Down*, 2021

**How did the idea for this exhibit come together and what are you going to be showcasing?**

First, we have "Hair Appointment," which is about hair braiding, identity and culture, then you've got "Jump Ball" which is about sporting culture and community, and then we have "10 Toes Down" which is more focused on identity and representation. They're all different, but the way they're tied together is that they all resonate with this idea of the title: feeling like home. "Feels Like Home" is something that is very easy to think about when you read the phrase, but it means so much more than just a physical home. Home is the motherland. But home can also mean a sense of familiarity. There are so many other things that home can tie itself to. And home is also a sense of community.





Joshua Kissi, Jump Ball  
Mighty Migration, 2020



O'shane Howard,  
Jump Ball Toronto, 2019

I even have a little dress code [for the exhibit]. I want everyone to wear what garments remind you of home, whether you're an Indian person or a Jamaican person, Nigerian, Ethiopian, whatever they feel like, at home.

**Your work also focuses a lot on reclaiming stories that Black communities typically wouldn't have the opportunity to tell. Why was that important for you to do?**

I think it's just upbringing. I'm born and raised in Toronto to Nigerian parents. My mom and dad are both from Benue state, which is the middle belt of Nigeria, so we've never really been grouped with [any of the major ethnic tribes]. I've always felt like an outcast. I'm Nigerian, but from an 'other' state. So, since I was growing up, I've always been like, "Man, I'd love to see more stories from my perspective, or from the perspective of the community I occupy."

**Sunday School also seems to prioritize nuance and specificity in storytelling. Can you talk about why?**

I'm [always] going to do what I feel is most authentic for what I saw growing up in my journey. Almost every project we've done, I've either experienced first-hand, or someone around me has brought it to the table, and we really researched and looked into what the story is behind it.

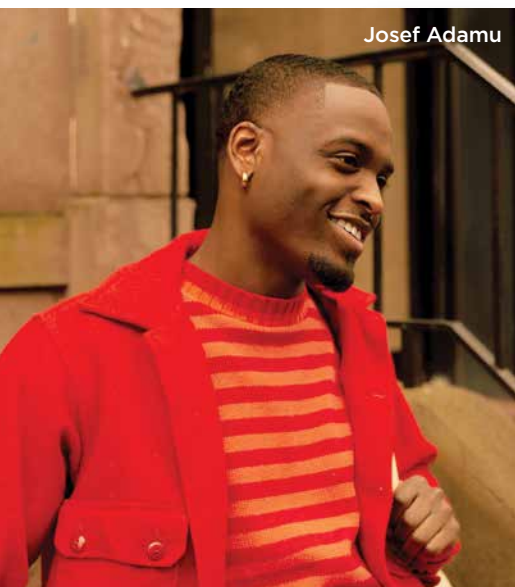
It's very easy to digest as well. I don't like making things overly conceptual or hard to understand because at Sunday School, we look at ourselves as an educational institution.

And representation is also extremely important. You'll see that 85 to 90% of our projects feature dark-skinned people, and that's because when considering [Blackness] globally, light skin is usually enough. I wanted to change that as well.



**What scares you, even after doing this work so successfully the last six years?**

I fear being stagnant. I fear sometimes that I'll get stuck in this bubble of Black storytelling from an African perspective only. It's not that I'm scared that [it is] all I can offer, because I do have a lot of ideas, and I do have tons of things that expand beyond our world and our scope. But I do fear that a lot of the work sometimes represents a specific culture and only that, so I try my best to make sure that the work



**“I’M ALWAYS GOING TO DO WHAT I FEEL IS MOST AUTHENTIC FOR WHAT I SAW GROWING UP.”**

we’re doing has a versatile perspective on it and maybe one day, it can branch off into other things as well. That being said, I’m very confident and happy with the work that we’re doing and I will continue to do it for us

Everything I do is very, very, very Black. Unapologetically Black. It’s gotten me where I am today, because I’m literally an ambassador for what I saw growing up. ♦

TRAVEL

**MAKING TRACKS**

Why the best way to see Canada this summer is via train  
**BY NYLAH BURTON**

I’m a travel writer who limits plane travel, so I’ve taken my fair share of trains in the United States and Europe. But I recently embarked on the greatest travel challenge of my career so far: a trans-continental train trip from the eastern coast of Canada in Halifax, Nova Scotia to the western coast in Vancouver, British Columbia, with stops in between. Nothing could have prepared me for seeing the beauty of Canada; the clear blue lakes in British Columbia, the majestic Canadian Rockies in Alberta, the vast plains of Manitoba and Saskatchewan, dense forests of Quebec and New Brunswick and the seaside charm of Nova Scotia.

I got to know so much of the northern part of this continent, learned about its agriculture and geography and ecosystems, and connected with the people that lived there—an experience I would have never gotten if I had solely travelled by planes.

My trip also encapsulated why so many travellers are looking to trains and other forms of slow travel in 2023. This year, travellers are drifting away from the frenzied need to collect stamps on a passport. Instead, they’re choosing long-distance trains over planes, looking for transformative, more sustainable, aesthetic experiences. Most respondents to an Opinionium Research poll of U.K. workers said their interest in train travel was because COVID-19 highlighted the need for more sustainability at all levels of society, including travel. According to Pinterest Predicts, an annual report that bases trend predictions on data analysis from Pinterest users, 2023 is the year of the train, with Pinterest pins for “train trip aesthetic” increasing by 205 per cent and “interrailing Europe aesthetic” increasing by 105 per cent.

And, it turns out, this is the ideal place to do that. Yes, Europe has long been considered the ultimate destination for train travel, but Canada has a hidden gem of a rail system that people from all over the world travel across oceans to experience.

But the appeal of train travel goes beyond sustainability. My trip combined many of the things that draw travellers to this mode of travel: opportunities to see land and nature, have experiences that shift their perspectives and especially meet new people. The pandemic made people hungry for real connection, something that is evident on trains, where people seem to seek out the experience because of the opportunities for socialization. The Canadian is VIA Rail’s longest and most iconic route, going from Toronto to Vancouver over four days. I found that the length of the trip facilitated connection—something I still miss due to a combination of the pandemic and working from home. There are fewer opportunities to connect with people organically in our daily lives, so the Canadian felt almost like an adult summer camp on a train that allowed me to make friends from different parts of the world, including Scotland, Belize, South Korea and Australia.

But, it also took me about a month to complete. Travelling this way is a privilege of time, which is why train travel is particularly enticing to people like me, who work remotely and whose work doesn’t require a constant Wi-Fi connection. Most of the people I met on my trip were remote workers in journalism or tech, teachers on sabbatical and academic professors, and students. As work culture moves away from requiring employees to be in the office, slow travel will become even more popular. And employers themselves might find the rise of slow travel to be beneficial for productivity—many of the people I met on the train said they would be returning to their jobs more relaxed.

Working from home comes with an overload of digital exposure for many people. We are on our phones, working on our laptops and watching TV almost

PHOTOGRAPH BY KJA MARIE



PHOTOGRAPHS: TRAIN COURTESY OF VIA RAIL; JUSTIFIED COURTESY OF FX NETWORKS

## TRAVELLERS ARE LOOKING TO TRAINS FOR TRANSFORMATIVE, SUSTAINABLE, AND AESTHETIC EXPERIENCES

constantly, all in the same place we're expected to sleep. So perhaps one of the apparent "weaknesses" of train travel—the lack of Wi-Fi and cell service on most routes—is actually its greatest strength. I find that my most restorative moments are on trains, when there's no cell service or Wi-Fi and I'm curled up in my cabin with a good book or having an engrossing conversation with someone new at the dinner table.

Still, this experience is quite intense, and not every traveller who longs to discover trains wants to necessarily commit to four days with strangers and little to no cell service. In my conversa-

tions with travellers, cost and length are some of their biggest barriers to finally making the leap and going on a train trip. The sleeper class on the Canadian can cost you thousands for a berth, depending on the season for example—and that's their most affordable sleeper option. But, there's another alternative. VIA Rail's The Ocean, which goes from Montreal to Halifax, is an ideal summer option for travellers who have less time and smaller budgets (and you'll probably get to see moose, too). The Ocean's sleeper class can be \$500

or less. And if you don't mind sleeping in economy for a night, you can get that ticket for less than \$200.

The hope is that the more that travellers choose train travel over planes, the more governments will be incentivized to invest in making rail faster, more sustainable and more readily available. This is especially needed in Canada, where old trains that run on diesel fuel keep rail from being faster and more sustainable. But my hope is also that an increase in train travel will lead to a radical shift in how people view nature and land, and the journey itself. ♦

### PIVOT RECOMMENDS

## Off the clock

BY CHRIS POWELL



### Watch

Eight years after seemingly hanging up his hat for good, Timothy Olyphant returns as the unflappably cool Deputy U.S. Marshal Raylan Givens in this summer's miniseries spinoff of *Justified*. Once again based on source material from legendary crime writer Elmore Leonard, ***Justified: City Primeval*** will see Givens leave Kentucky for the gritty streets of Detroit. Boyd Holbrook (*Narcos*) plays the new villain in what promises the same type of thrilling TV that made the original an overlooked classic.

### Read

The 2016 election of Donald Trump ushered in a never-before-seen era of Washington politics that has continued to cling to the city today. In ***The Big Break***, long-time *Washington Post* writer Ben Terris examines the ensuing maelstrom as well as the "odd and eccentric" personalities vying for a little bit of power of their own. He looks at "exclusive parties, poker nights, fundraisers, secluded farms outside of town and the halls of Congress," rubbing elbows with oddballs and opportunists alike.

### Listen

The stranglings of billionaire CEO Barry Sherman and his wife Honey in 2017 are the subject of duelling podcasts: The eight-part CBC podcast ***The No-Good, Terribly Kind, Wonderful Lives and Tragic Deaths of Barry and Honey Sherman*** and the second season of *Suspicion* titled ***The Billionaire Murders: The hunt for the killers of Honey and Barry Sherman***. Neither comes close to solving the case, but provide compelling mysteries for true crime buffs.



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## CLOTHES CALL

As a senior accountant at Scarrow & Donald in Winnipeg, Paul Thorleifson relies daily on his analytical skills. But he also uses those skills to keep Towns Apparel Co., a clothing line inspired by Manitoba's small towns, running smoothly. **BY STACY LEE KONG**

**We launched on June 11, 2020, not really expecting what was going to happen.** We were taking orders via a Google Sheet! But that first day there was an incredible response from our community. And now, we're even getting orders from across Canada.

I had a really good accounting teacher in high school—that was one of the big things that made me consider this career. When I got into university, I thought I would major in finance until my third year. Someone told me that there are so many career options with doing a CPA. **You can take it many different ways, but you always have the certainty of being a CPA.**

**My favourite part of my day job is that there are lots of different challenges every day.** The best part is being able to work with so many businesses and be able to hopefully provide value for them, help them out on their path to success.

**Back in 2017, my co-founder, Brooks Keen, drew an outline of our hometown as a tattoo idea. We printed it on t-shirts that we wore to our town's annual curling bonspiel, and people thought it was really cool.** That planted the seed that it could be something bigger. But it lay dormant until the pandemic hit. That's when the idea that we could turn it into a business got going again.

**I had only been with the firm for about six months when I started Towns Apparel, but being a CPA definitely gave me that edge on all the administration that goes with running a business.**

[While] my work at Towns gives me the [opposite] perspective, and that's a huge advantage for me. A lot of people who work in an accounting firm have never owned their own business or had to do the things we asked them to do. I've actually done my own books and seen how that process goes. I feel like that helps me relate a lot.

It's nice to have my side hustle be something that I have a lot more control over—our decisions are directly affecting the profit or the performance of the business. I take a lot of pride in the work I do at my day job, but I don't see the impact of my work as immediately. **With Towns, I directly see the fruits of my labour, which makes me feel like I'm really participating in and growing a business.**

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