



Executive Summary Report

The New Challenges of Future Proofing Business, Cities and People in the Age of Disruption

“Our house is on fire.”

These arresting words, from 16-year-old Swedish climate activist Greta Thunberg, set the stage for an unusually frank yet optimistic dialogue in Toronto on February 19. The first Leadership Dinner & Dialogue, organized by Rethink Sustainability Initiatives, attracted 79 C-suite business and government leaders, entrepreneurs, scientists and infrastructure experts to explore how to mitigate the impacts of climate change and adapt to the “new normal” of extreme weather events.



In a video of her recent presentation to the World Economic Forum in Davos, Greta reminded the attendees that good

intentions are no longer enough. “We have to stop the emission of greenhouse gases” that fuel climate change, she said. “I don’t want you to be hopeful. I want you to panic. I want you to feel the fear I do every day. I want you to act. **“I want you to act as if the house is on fire, because it is.”**”



This report sums up key messages of the February 19th keynote speakers and actions proposed by the delegates during the event’s interactive session. This report has been prepared for the attendees of the event – and for Greta.

Keynote Speakers



Sanjay Khanna, Consultant and Futurist, Whitespace Legal Collab, Baker McKenzie
“Future-Proofing the People Side of Business in the Era of Disruption”



Dr. Blair Feltmate, HEAD, Intact Centre on Climate Adaptation, University of Waterloo
“Hotter, Wetter, Wilder: How Canada Must Prepare for Climate Change and Extreme Weather Risk”



Elliott Cappell, Chief Resilience Officer, City of Toronto
“Strategy and Actions for Making a More Resilient City for Residents and Businesses”

Sanjay Khanna: Building Social and Organizational Resilience

As if taking his cue from Greta Thunberg, futurist Sanjay Khanna presented a stark message: climate change will be harder to stop than many experts have predicted. The Paris Agreement of 2016 set a goal of minimizing climate change by limiting the rise in average global temperatures to 1.5 degrees Celsius above pre-industrial levels. But Khanna noted that “the more advanced scientists, doing more complicated math,” have determined the safe threshold to be an increase of just 1.1 degrees – a stretch goal if there ever was one.

Beyond mitigating the impact of climate change, Khanna noted that society must also adapt to meet its physical threats, such as flood, fire, drought, polar vortexes and extreme heat.

He warned however that the aspirational goal of “future-proofing” our organizations and communities to converging pressures—from rising inequality, physical and mental health burdens to climate change—could lead executives and community leaders to significantly underestimate the amount of preparation needed to “bounce back” from major shocks. According to Khanna, “human beings are more vulnerable than they are resilient... and our vulnerability has to be considered.”

He noted that adapting to climate threats requires managing massive change on five planes:

- Socioeconomic reordering
- Technological Acceleration
- Physical and Mental Health
- Geopolitical Fragmentation
- Environment and Climate Change



He urged leaders to form their own networks of advisors and partners to learn how to handle the complexity of climate adaptation. “View the people in this room as part of your resilience network to help understand and communicate these issues to your organization.”

Khanna is particularly concerned about the impact on mental health. In 2007, researchers started studying the impact of climate threats on people’s psyches. The literature is now filled with reports about stress over job loss, anxiety and depression, and even PTSD among people enduring the aftermath of extreme weather events. “One of the characteristics of being a leader in the 21st century is that you will have to deliver more bad news, more skillfully, and more often, than ever before,” said Khanna. “You will still have to motivate people, and that is going to take a new skill set,” balancing both intellect and empathy.

Finally, Khanna urged leaders to actively promote resilience, in their organizations and communities, by training people to better understand risk, communicating better on risk issues, and addressing social vulnerabilities. “In that process you build social capacity, you build governance, and you build social resilience.”

Blair Feltmate: Hotter, Wetter, Wilder

"Climate change is real and it's irreversible. It is here to stay... We may slow down the rate of climate change, but we are not going backwards." With this grim outlook, ecologist Blair Feltmate, head of the Intact Centre on Climate Adaptation at the University of Waterloo, did his part to prod attendees into action. Noting that the costs associated with extreme weather are rising across Canada, he then offered a dollop of good news. "In Canada, we're not sitting on our hands. We are preparing for climate change, and preparing quite well."

He noted Canadians are developing new national standards to govern construction design and environmental decision-making, especially when it comes to flooding, Canada's biggest weather risk. "We're moving in the right direction," he said. "But we're not moving fast enough."

Why start by pointing out climate change is real? Feltmate stated that "a lot of people in this country do not agree with the fact that climate change is even happening, never mind being human-induced." Noting that he works regularly with the financial industry, he added, "Right now, maybe 50% of people in the higher echelons of Bay Street do not believe climate change is real."

In other words, getting action on climate change requires communicating more effectively. Feltmate says skeptical business leaders often change their minds when presented with the facts – which means we can't leave climate education to the media.



"At the end of the day," he advised, "one of the bodies you need on board to make change are the people who sign cheques and make decisions. So it's important that they understand this file."

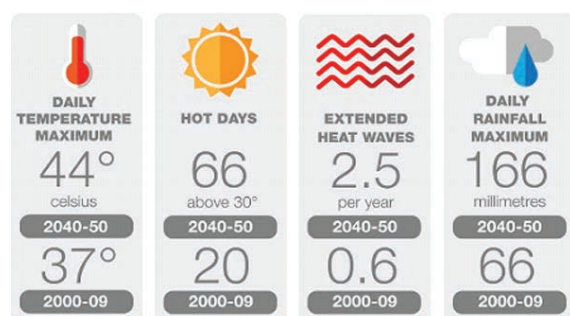
To exemplify the challenge of climate change, Feltmate honed in on the humble issue of basement flooding. According to the Intact Centre, some 1.7 million Canadian households face flooding risk, whether from overflowing rivers, melting snow and rain, or backed-up sewers. With the average basement flood in the GTA costing \$43,000, Feltmate said one of the biggest climate challenges locally is "the uninsurability of the housing market, where people can no longer get insurance coverage for their homes for any kind of water damage to their basement."

To prevent such financial and emotional trauma, Feltmate said industry and government have collaborated to develop new educational materials and design standards focusing on mitigating key weather risks. Getting Canadians to adopt those standards and do the work won't be easy, but the effort is underway. Feltmate said insurers are starting to offer lower premiums for projects that reduce climate risk. Next, his aim is to enlist mortgage brokers, real-estate agents, institutional investors and even credit-rating agencies in the battle for climate awareness – to make sure that doing the right thing comes with the right incentives.

Elliott Cappell: Toronto's Resilience Strategy

Thanks to a grant from the Rockefeller Foundation's 100 Resilient Cities initiative, Toronto has its own Chief Resilience Officer. Elliott Cappell's job is to help the city prepare for significant shocks and support recovery efforts should disaster strike. He defines resilience as "the ability to survive, adapt, and thrive in the face of any challenge."

To begin his presentation, Cappell identified some specific climate risks being forecast for Toronto 30 to 40 years from now: higher daily maximum temperatures, extended heat waves (an average of 2.5 heat waves a year, up from just 0.6 per year prior to 2009); and daily rainfall maximums of 166 mm – up from just 66 between 2000 and 2009.



His prescription for a more resilient city:

- We need more financial innovation to encourage projects such as "deep retrofits," with longer-term paybacks. (Example: if you retrofit your home, your property taxes rise – so that's a disincentive.)
- More data is needed on climate risks and available skills. As an example, Cappell noted, despite six decades of conservation work following Hurricane Hazel, the city has no flood-risk mapping. "I am surprised by the data and skills gap in Toronto," he said.
- The city needs to communicate better about climate risks and that includes listening to citizens' concerns. "With the intense politicization of climate change in provincial and federal politics, we have done a bad job of communicating."
- Toronto needs new partnerships and governance systems to address climate challenges that "bleed across" different authorities and levels of government.



Like the previous speakers, Cappell cited specific social challenges posed by climate change; in particular the overlap of Toronto's climate-vulnerable population with "equity-seeking groups." "Climate change affects the neediest most," he said – adding that basement flooding have very different impacts on people who live in basements as opposed to homeowners with wine cellars.

Cappell said Toronto is fortunate that its main climate risks involve flooding, wind, cold and ice. Many cities face more visceral threats, such as ocean flooding (Amsterdam) and extreme heat (Hong Kong). Yet, he said, this gives Toronto a less compelling business case for addressing climate threats: "We're missing the extreme multi-hazard context."

One pressing Toronto issue is aging infrastructure. Of nearly 2,000 apartment buildings in the city, half are more than 40 years old. Of those 590 buildings, one-third have had some upgrades (e.g., air conditioning or insulation), another third are now being upgraded, and one-third have never been upgraded. As well, he noted, "our most needy population is in the oldest buildings."

It seems obvious that as we build new infrastructure, we should be designing it with more concern for climate risks. But as Cappell said, there are no requirements to do so: "Regulations haven't really caught up."

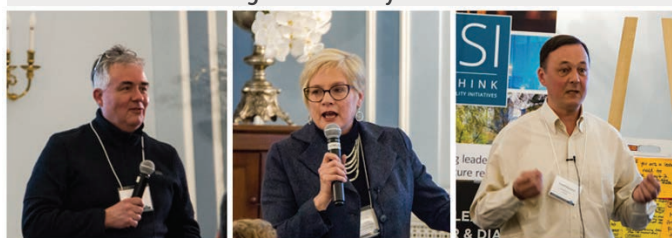
Finally, said Cappell, "We need to give ourselves permission to fail. We need to try a lot of new things, and some of them are not going to be successful. We need to give our civil servants more room to take risks."

Open Forum and Action Steps

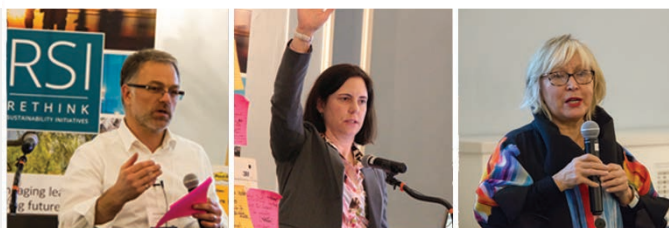
Following the speaker presentations, attendees broke into their table groups to discuss the messages they'd heard. RSI founder Yasmin Glanville challenged the participants to identify shared takeaways and propose one important leadership action or commitment to take back to their organizations to mobilize climate action and resiliency.

Each table selected one individual to report to the full group. Here is a synopsis of those ideas, actions and commitments.

- We need to invest more in climate education, and in developing standards. We must also capture and analyze better data to support the business case for action.
- Businesses need to learn to invest with a better future in mind – not just for short-term gain. “How do you invest for the future if you only look at what comes out of your pocket, and not at the benefits to society?” Incentives need to be developed to get people and businesses move in a more sustainable direction.
- Action commitment: Encourage colleagues to talk about what climate change means to your business or



- Work with business leaders to expand their perspective on climate risks and opportunities.
- Climate awareness needs to be a part of business culture. For instance, companies hoping to be rated as a top employer should show evidence of a climate plan.
- There should be a professional association to help organizations help each other and learn from each other.
- Action commitment: “Tap into networks, work across boundaries.”



- Organizations should make “eco-pledges,” for instance, to use less plastic, produce less waste, and reduce meat consumption.
- Look for fun, interactive, easy ways to involve the public in climate issues. Example: San Francisco organized a successful competition to encourage neighbourhoods to reduce their carbon footprint.
- Higher-level governments could also use competitions to promote climate action. For instance, to encourage its cities to become smarter users of technology, the U.K. issued a “Smart City Challenge.” A first prize of \$40 million attracted serious entries from 30 U.K. cities. Ottawa, which has launched its own Canadian Smart City Challenge, should consider holding a similar competition to encourage climate innovation and partnerships.
- To encourage more climate leadership in business, companies need to move away from focusing on short-term tasks and embrace more holistic, five- to 10-year goals.
- Action Step: Make compensation throughout the organization dependent on carbon reduction.
- Combine hope and action. As one participant noted, Greta said: ‘I don’t want your hope.’ But we need both hope and action. We need to talk about all the good things that are happening. The communications piece is crucial, and we’re not doing it well.”

We can only hope Greta Thunberg would approve.

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About RSI

RSI is a dynamic knowledge exchange that helps executives, entrepreneurs and innovators examine the challenges they face while helping them identify strategies and insights for advancing the sustainability and resiliency of business and society to thrive into the future. Our exchange, through publications, formal and informal discussions, and action-learning accelerators provides access to progressive leaders and actionable insights for Canadians and our global partners.

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To continue this action-focused dialogue, share this report with others. To lead change, consider collaborating with RSI on other future-proofing and resiliency initiatives.



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