

President
of the Treasury Board



Présidente
du Conseil du Trésor

Ottawa, Canada K1A 0R5

Mr. John Williamson, M.P.
Chair
Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario
K1A 0G6

Dear Mr. Williamson:

Pursuant to Standing Order 109 of the Standing Orders of the House of Commons, I am pleased to submit on behalf of the Government of Canada (the Government) the response to the twenty-sixth report of the Standing Committee on Public Accounts (the Committee) entitled *Greening Government Strategy*, which was presented to the House of Commons in February 2023.

The Government recognizes the importance of ensuring a robust and comprehensive approach to performance measurement and public reporting under the Greening Government Strategy (GGS). We welcome the opportunity to outline how the recommendations of both the Commissioner of the Environment and Sustainable Development (CESD), and those in the Committee's twenty-sixth report, are being addressed.

The Government would like to thank the members of the Committee for their work in undertaking the study and preparing recommendations. The Government also wishes to extend its gratitude for the opportunity to appear before the Committee to speak about GGS initiatives, objectives, and work. The recommendations of the CESD and the Committee are invaluable to informing how the Government continues to move forward in greening government operations.

The Government Response is the product of collaboration between the Treasury Board of Canada Secretariat (TBS) the Department of National Defence (DND), and Transport Canada (TC). The Government has carefully considered the Committee's report and is pleased to respond to each recommendation.

Canada

Recommendation 1: On the publication and collection of data

That, by 31 January 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report detailing measures taken to collect data on all Government of Canada sources of greenhouse gas emissions, including those from Crown corporations, and to publish them clearly and comprehensively.

The Government of Canada agrees that it is critical to continue to improve the comprehensiveness, transparency, and clarity of data to track performance on greening government operations. TBS will provide the Committee with the requested report when it provides the reports for Recommendations 2 and 4, namely by March 31, 2024. The report will outline the additional sources of greenhouse gas (GHG) emissions on which TBS will report publicly via its website and on the Open Government Portal. In the interim, key progress to date includes:

- TBS recently updated the data on annual scope 1 and 2 emissions for real property and fleet on its website, including detailed emissions information on buildings and fleet by department on the open government portal.
- Data on scope 3 GHG emissions related to procurement have been added to TBS's website under the Government of Canada's Greenhouse Gas Emissions Inventory. These are emissions generated in the supply chains of the goods and services the Government procures, for example from the manufacturing of vehicles, construction materials, IT equipment, and energy production.
- At the end of 2022, the *TBS Standard on Embodied Carbon in Construction* came into effect. It requires the disclosure of GHG emissions associated with the production of concrete used in government projects. This data will be aggregated and reported annually on the TBS website.
- The *Standard on the Disclosure of Greenhouse Gas Emissions and the Setting of Reduction Targets* took effect on April 1, 2023, and requires suppliers with federal contracts over \$25 million to disclose their GHG emissions and set reduction targets. Similarly, this data will be aggregated and annually reported on the TBS website.

With respect to collecting GHG emissions data from Crown corporations, and as noted in the response to the CESD, TBS's Centre for Greening Government will be consulting Crown corporations on GHG emissions reporting in advance of the planned next update to the Strategy in fiscal year 2023–24. Currently, Crown corporations are encouraged to report their emissions publicly and many Crown corporations report their data in their own public sustainability reports.

The Committee's recommendation aligns with the Government's Budget 2021 requirement that all Crown corporations adopt Task Force on Climate-related Financial Disclosures (TCFD) standards as part of their corporate reporting. The Budget directed that Crown corporations holding more than \$1 billion in assets report on their climate-related financial risks by calendar year 2022, and that those with less than \$1 billion in assets report by calendar year 2024. It also aligns with the Net-Zero Advisory Body's January 2023 advice to the Minister of Environment and Climate Change that the Government "should direct that all federal agencies, departments and Crown corporations publicly articulate their role in helping Canada achieve net-zero emissions".

Recommendation 2: On including more details on strategic commitments

That, by 31 March 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report describing the additional details that will be provided in the next revision of the Strategy, particularly on green procurement, clean technology, partnerships, policies and performance measurement.

The Government of Canada acknowledges the importance of updating the GGS regularly to reflect progress and, as appropriate, increased ambition. Consultations with departments and relevant stakeholders are underway to develop options for the next GGS update. TBS will provide the requested report to the Committee by March 31, 2024.

TBS recently updated its website with new information on the implementation of the GGS, including on government green procurement measures and strategic partnerships such as the Buyers for Climate Action initiative. Buyers for Climate Action was established in 2021 and brings together leading green public procurers that purchase a significant volume of goods and services with high environmental impact. The coalition shares knowledge and collaborates on best practices to accelerate and improve green procurement practices and increase buyer capacity to drive greener goods and services.

Recommendation 3: On the risk management approach

That, by 30 June 2023, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report detailing its comprehensive approach to managing risks that could affect the government's ability to achieve the 2050 net-zero target, including a description of how it will regularly identify, monitor and mitigate significant risks.

The GGS approach is grounded in analysis of the outcomes needed to achieve net-zero operations by 2050, and the risks associated with meeting this target. As indicated in the response to the CESD's related recommendation, the Government of Canada agrees on the importance of having a comprehensive approach to identifying, monitoring, and mitigating risks to achieving the 2050 net-zero target. TBS will provide a report detailing its risk management approach to the Committee by June 30, 2023.

Recommendation 4: On departmental GHG emissions reduction and net-zero plans

That, by 31 March 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report outlining whether (1) the national safety and security fleet decarbonization plans have been completed; (2) time frames for departments and agencies to develop their greenhouse gas emission reduction and net-zero plans have been established; and (3) an independent review process for departmental real property greenhouse gas emission plans have been implemented.

The development of national safety and security fleet decarbonization plans is underway. Eight departments representing 81% of real property emissions have completed a net-zero real property decarbonization plan. TBS is consulting departments to establish timelines for the completion of the remaining plans and on a process to review their real property decarbonization plans once complete. TBS will provide the requested report to the Committee by March 31, 2024.

Recommendation 5: On the approach to track the Strategy's costs and savings

That, by 15 June 2023, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report explaining its approach to establish and publish projections, and outlining the Greening Government Strategy's estimated costs and savings, as well as its actions to monitor these costs and savings.

TBS recently added a new webpage (Implementing the Greening Government Strategy), which provides additional information on the approach to tracking costs and savings for Canadians. TBS will provide the requested report on the GGS cost and savings approach to the Committee when it provides the report requested as part of Recommendation 3, namely by June 30, 2023.

**Recommendations 6 and 7: On identifying risks and mitigation measures
(DND and Transport Canada)**

That, by 15 June 2023, National Defence provide the House of Commons Standing Committee on Public Accounts with a progress report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach. A final report should also be provided by 31 March 2024.

DND and the Canadian Armed Forces agree to the recommendation and will provide the Committee with a progress report by June 15, 2023, and a final report by March 31, 2024. These reports will outline DND activities that will contribute to GHG emissions reductions and the department's risk management approach.

The GGS targets include both a reduction of 90% of GHG emissions from real property and achieving a net-zero portfolio by 2050. DND is committed to achieving these targets and, as such, has made significant progress towards the reduction of GHG emissions from its real property portfolio since 2017.

As part of these efforts, DND has documented some of the risks to reaching the GGS emission reduction targets. Documented risks include the ability of the private sector to produce and provide clean technology on a timely basis, the affordability of clean technology, and the large variety and differing conditions of DND real estate assets. In addition, the department must ensure that GHG emissions reduction efforts align with other strategic initiatives such as the Defence Real Property Portfolio Strategy and the results from the TBS Horizontal Fixed Asset Review.

Both the ongoing activities that contribute to real property emissions reductions and the documented risks have served to inform strategic documents such as the 2020-2023 Defence Energy and Environment Strategy, the Defence Energy and Environment Strategy 2021-2022 Results Report, the 2023-2024 Departmental Plan, and the 2021-2022 Departmental Results Report. All documents are available publicly.

A more comprehensive approach is currently underway to formalize risk assessment and management procedures, engage key subject matter experts, and consolidate risk information. Improvements to risk management will enable the use of consistent risk language, remove duplication, and close any gaps in risk identification and corresponding mitigations. Upon completion of this process, results from the final risk assessment will be included for consideration in the December 2023 Defence Corporate Risk Profile process, which will serve to inform future Departmental Plans and Department Results Reports.

The results from the risk assessment will also support the development of a Defence Real Property GHG Emissions Reduction Roadmap to 2050. This Roadmap will be presented for consideration to senior Defence leadership in spring 2024 to help inform DND's final report to the Committee.

That, by 15 June 2023, Transport Canada provide the House of Commons Standing Committee on Public Accounts with a report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach.

TC accepts this recommendation and commits to providing the Committee with a report outlining its activities that will contribute to GHG emissions reductions as well as a document outlining its risk management approach by June 15, 2023. TC is committed to reducing GHG emissions from its operations. The department's unique emissions profile – with the largest sources of emissions being from ferries and aircraft – presents both challenges and opportunities.

In response to the Office of the Auditor General's (OAG) recommendation to continually identify new activities that will contribute significantly to emissions reductions and prioritize them based on risk, TC has updated its Carbon Net-Zero Roadmap. Additionally, in response to the OAG's recommendation to develop a risk management approach that defines significant risks and corresponding mitigation measures, TC has created the Greening Government Risk Management Framework.

TC's Carbon Net-Zero Roadmap is a document that proposes a pathway towards achieving carbon neutrality across TC's real property portfolio by 2050 and maximizing GHG emissions reductions for all other assets. The Roadmap also considers existing TC programs and policies, as well as international, national, and regional climate commitments to prioritize the measures that will result in the greatest GHG emissions reductions and are the most cost-effective.

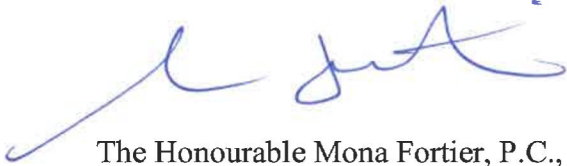
TC's Greening Government Risk Management Framework outlines the process for identifying and ranking key risks and identifying associated mitigation measures for risks that may prevent the department from reaching its targets in the GGS. The risks identified through this process will be integrated with the annual departmental risk management cycle which is aligned with TC's multi-year resource planning process.

Conclusion

As the Government continues to strengthen its approach to greening government operations and to performance measurement and reporting under the GGS, we will take the Committee's recommendations into account. I would like to take the opportunity to thank you and the Committee members for your important work in reviewing the report of the CESD on the Strategy.

Taking action on climate change to meet global net-zero commitments by 2050 is one of the most pressing collective responsibilities of our time and the Government remains committed to leading by example through coordinated federal efforts toward greening its own operations.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mona Fortier', written in a cursive style.

The Honourable Mona Fortier, P.C., M.P.