



IVEY foundation

ANNUAL REPORT 2021

IVEY foundation

The Ivey Foundation was incorporated as a private charitable foundation 31 December 1947 by the late Richard G. Ivey, Q.C., LL.D., and his son the late Richard M. Ivey, C.C., Q.C., LL.D. The mission of the Foundation is to improve the well-being of Canadians by focusing its resources on selected issues of significance. With a long history of supporting excellence and valuing transparency and accountability, the Foundation also embraces change as a necessary part of its evolution.

The primary focus of the Foundation is the Economy and Environment Program, established in 2014 as a strategic priority. Through the Program, the Foundation supports new thinking around innovative approaches to policy and practice that advance sustainability in Canada. Working in this dynamic space requires iterative learning and adaptation based on Canada's shifting socio-economic and political contexts, and the feedback from organizations we support.

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PRESIDENT'S REPORT

Alignment is a word that comes up often as we work to address the systemic challenges preventing us from achieving our environmental goals. Policy alignment. Alignment across and within governments. Alignment of financing with net-zero outcomes. Alignment of supply chains. Political alignment. And while some of these are harder to align than others, we are starting to see important signposts of success along the major pathways to net-zero.

As sustainable energy guru Amory Lovins said recently, “If you are still wondering when the great energy transition is happening, you may have just missed it.” We have seen exponential growth, globally and in Canada, in renewable energy development, electric vehicle sales, and heat pump installations to name a few. Coal is well on its way to being eliminated and Canada has an abundance of energy and mineral resources at its disposal. More importantly, for the first time ever, the discussion has begun to shift away from incremental tinkering within our existing energy systems (i.e. making gasoline and diesel-powered vehicles slightly less polluting), to fundamentally retooling net-zero energy systems (i.e. banning the sale of internal combustion engines).

This is made possible in part by commitments to net-zero by many governments and businesses across the globe, and with the introduction of the Canadian Net-Zero Emissions Accountability Act – legislation that holds the federal government accountable for meeting emission reduction targets. With this legislation came a new Net-Zero Advisory Body to advise Canadians on the principles and approaches that may be most effective in achieving net-zero by 2050. Combined with the independent analytical rigour provided by the Canadian Climate Institute, Canada now has the independent institutional capacity to help advise the country on the most effective measures to reach our 2030 climate targets and net-zero by 2050.

It is worth noting that Canada is an outlier among G7 countries as one of the only nations with its greenhouse gas emissions dramatically increasing over the past several decades. Since 1990, Canada’s emissions have risen 21% whereas the E.U. countries have an overall average emissions decline of 28% and the U.K. has had a remarkable 41% emissions drop. It is, however, a regional story in Canada, with the impressive emission reductions achieved in eastern Canada (with Ontario resembling the U.K.) being more than offset by escalating emissions in the western oil and gas producing provinces, related primarily to the extraction and processing of oil and gas destined for the United States. If we are to come anywhere close to the 2030 climate targets that Canada has committed to, we will need to see dramatic emission reductions from the oil and gas sector. In breaking down emissions by sector, the majority of climate-related emissions are in fact oil and gas combustion emissions, for example gasoline and diesel fuel in the transportation sector, or natural gas and oil heating in the building sector. The goals we set for ourselves must therefore be much more clearly aligned to the elimination of oil and gas combustion in the economy as quickly and effectively as possible.

This is not as simple as saying “keep it in the ground” or joining a pipeline protest. The challenge we face is creating credible and compelling pathways to the new energy systems needed to replace oil and gas. We need to envision our net-zero energy system of 2050, knowing that we may get parts of it wrong, while we resist one of the main opposing forces to alignment – uncertainty. Very often, delays, trepidation, and lack of alignment in moving forward on focused climate actions are caused not by a lack of understanding, but by uncertainties that are often purposefully injected into policy and investment conversations. Of course nobody has a crystal ball that will predict a precise future, especially one in 2050.

However, there is remarkable global consensus emerging about what the most promising pathways to net-zero are and what the first steps are to meet our goal. As Martin Luther King Jr. said, “You don’t have to see the whole staircase. Just take the first step.”

Twenty years ago, I was part of a small group of environmental and health advocates who designed the coal phase-out campaign in Ontario. We developed compelling evidence showing that the economic, health and environmental benefits of eliminating coal-fired electricity were real and achievable. It was only through clarity of the end-game – no more coal – and an expansive view of the benefits – not just environmental but economy-wide health and economic benefits from reducing smog and air toxins – that the coal phase-out idea was not only credible but also endorsed by all of Ontario’s main political parties. Had the approach been based on economic models showing which technology would be best to replace coal, we would still be debating the model assumptions today. A carbon tax would not have worked either, as the problem was about more than carbon and the level of taxation would have been unthinkable at the time. And without detailed expert analysis of the energy system alternatives to replace coal, the campaign would not have succeeded. In the end, a sophisticated research and public engagement strategy together with strong government leadership made the coal phase-out a reality. And the flexibility of the electricity resources in Ontario meant that energy efficiency, natural gas, renewables, nuclear plant refurbishments, and transmission and distribution upgrades all contributed to the replacement of coal. The last coal plant in Ontario was shuttered nearly twenty years ago.

Phasing out oil and gas is obviously much more complicated and difficult. However, there are lessons that we can learn from Ontario’s coal phase-out and the very promising energy transition work emerging in regions across the country. In all cases we need an in-depth understanding of the interrelatedness of existing energy systems and sectors; how to align, build-out, and scale the infrastructure, jobs, financing, and political coordination for regional decarbonization efforts. What is the end point we envision, and how do we build the pathways to get us there? These pathways will look very different in different parts of the country depending on the existing business mix, energy resources, and future economic activities in the region.

In northern Alberta, a hydrogen hub is providing a central role in re-imagining the economy and energy systems required to power long-haul freight trucks, moving from diesel engines to hydrogen fuel-cells. In Hamilton, the steel industry is engaged in a regional decarbonization hub. In both instances it takes years of preparatory work in the research and “alignment process” – analyzing business system needs, bringing technology manufacturers together with users, aligning government research dollars with real-world applications, coordinating multiple levels of government, engaging workers and communities, and more. These are things that do not happen on their own and the required alignment seems to be largely misunderstood and under-supported by governments, industry, and the finance sector. It is a highly productive area where philanthropy can support the analysis, convening and coordination efforts. Building alignment across political, economic and social systems is therefore one of the most critical pieces of the puzzle for achieving our net-zero ambitions. It is therefore imperative that governments, industry, labour and civil society organizations align their efforts like never before, as Canada has much to do, and moving slowly is no longer an option.

Bruce Lourie, PhD - President

GRANTS

Economy and Environment

Research and Knowledge Mobilization to Promote Canada's Progress Towards Net-Zero

Carleton University, Ottawa, \$220,000

To promote the adoption of the net-zero transition pathway approach through design and delivery of educational modules, regular professional development webinars, and outreach to academics.

Helping Canada Adopt a Mission-Oriented Approach to Green Industrial Strategy

Carleton University, Ottawa, \$100,000

Provide policy support to help build a Canadian green industrial strategy advancing the net-zero economy.

Operating Support

Carleton University with Efficiency Canada, Ottawa, \$300,000

To provide support to advance federal and provincial energy efficiency policy and program priorities.

Organizational Review

Clean Economy Fund, Ottawa, \$100,000

To undertake an organizational review and develop a new strategic framework to guide the Clean Economy Fund's funder collaborative in the coming years.

Expanding Support for Carbon Pricing

Clean Economy Fund with Canadians for Clean Prosperity, Ottawa, \$100,000

To educate the public about carbon pricing and how the carbon tax and rebate work.

Climate Engagement Canada (CEC)

Columbia Institute with SHARE, Vancouver, \$50,000

To provide seed funding for the launch of Climate Engagement Canada and inaugural convenings.

Supporting Climate Policy in Canada

Environment Funders Canada with the Low Carbon Funders Group, Toronto, \$335,000

To support Ecojustice, Climate Action Network-Réseau action climate, Ecology Action Centre, and Pembina Institute in the development of climate policy in Canada.

Exposing the Automotive Sector's Resistance to Electric Vehicles

Environmental Defence Canada, Toronto, \$100,000

To create the enabling conditions for accelerating market penetration of electric vehicles in Canada.

Workforce 2030: Elevating Low Carbon Skills Development for Federal and Provincial Governments

Institute for a New Economy with Canada Green Building Council, Ottawa, \$100,000

To support the Workforce 2030 collaboration to develop policy recommendations and business practices that will build workforce capacity and skills for low-carbon buildings.

Renewable Skills Initiative 2022

Institute for a New Economy with Iron and Earth, Edmonton, \$75,000

To support the low-carbon energy transition in Alberta by developing and deploying a skills training program on renewable energy for energy sector workers.

Support for IISD Climate Change Initiatives

International Institute for Sustainable Development (IISD), Winnipeg, \$350,000

To strengthen organizational capacity for climate research and communications for work related to oil and gas transition initiatives and Electrifying Canada.

Advocacy to Accelerate EV Adoption in Canada through an Electric Mobility Strategy for Canada

Pembina Institute with Electric Mobility Canada, Calgary, \$50,000

To ensure development of robust national electrical mobility strategy for Canada in partnership with Electric Mobility Canada.

Energy Future Forum (Phase 2)

Public Policy Forum, Ottawa, \$75,000

To create a high-level forum with senior electricity sector, finance, and government officials to advance the net-zero transition.

Organizing Young Suburban Canadians for Climate Action

Ryerson University with Future Majority, Toronto, \$200,000

To increase democratic participation of young Canadians in suburban, exurban and rural Canada to ensure their concerns are understood and addressed by policy makers.

Farmers for Climate Solutions and National Farmers' Union Support

SeedChange Canada, Ottawa, \$450,000

To support policy analysis and outreach with the Canadian farming community in conjunction with Farmers for Climate Solutions for sustainable and climate-resilient agriculture.

Advancing the Decarbonization of Heavy Industry in Canada

Simon Fraser University with Clean Energy Canada, Vancouver, \$300,000

To help advance a federal 'Buy Clean' procurement approach to construction materials.

Parliamentary Internship for the Environment and 100 Debates for the Environment

Sustainability Network with GreenPAC, Toronto, \$75,000

To increase political and public literacy and leadership with regards to climate change and sound climate policy.

Assessing the Workforce Required to Advance a Hydrogen Economy and Zero Emissions Vehicle (ZEV) Supply Chain in Canada

Transition Accelerator, Calgary, \$125,000

To support the analysis of future workforce skills needed to advance Canada's hydrogen economy and ZEV supply chain.

Accelerating Electrification in Canada

Transition Accelerator, Calgary, \$525,000

To promote the advancement of electrification and grid integration in Northeastern North America, to strengthen Canada's Zero Emission Vehicle Supply Chain as part of a just transition, and to support the UK-Canada Climate Convening series for policy makers.

Accelerate Alliance Phase 2

Transition Accelerator, Calgary, \$250,000

To develop an industrial road map for the ZEV sector in Canada and engage the federal and key provincial governments to secure their prioritization of the auto sector as part of their just transition and net-zero policies.

Increasing the Efficacy of Green Public Procurement and Engaging Conservative Voices in Clean Growth Policy

University of Ottawa with Smart Prosperity and The Natural Step, Ottawa, \$75,000

To help ensure government procurement practices meet climate change and clean growth objectives through written reports, communication materials, and convenings with decision makers.

Payments on Previous Grant Commitments

Institute for Sustainable Finance

Queen's University, Smith School of Business, Kingston, \$250,000 (of \$750,000)

Canada Climate Law Initiative Phase 3

University of British Columbia, Peter A. Allard School of Law, Vancouver, \$25,000 (of \$50,000)

Strategic Opportunities

Indigenous Guardians and
Climate Action

Boreal Songbird Initiative with
Indigenous Leadership Initiative,
Ottawa, \$25,000

Canada's Net-Zero Economy:
Securing Prosperity in a Net-
Zero World

Canadian Institute for Climate
Choices, Toronto, \$20,000

Voteparty.ca/Votepromise.ca

Democracy Education Network,
Ottawa, \$10,000

Membership

Environment Funders Canada (EFC),
Toronto, \$12,000

One Earth One Vote

Environmental Defence Canada,
Toronto, \$15,000

Membership

Imagine Canada, Toronto, \$5,000

Net-Zero Finance Series

I-SEA with National Observer, Salt
Spring Island, \$30,000

Green Budget Coalition 2022

Federal Budget Campaign

Nature Canada, Ottawa, \$10,000

Membership

Philanthropic Foundations Canada
(PFC), Montreal, \$8,715

In Memory of Pegi Dover

Project Canoe, Toronto, \$25,000

Advancing Thought

Leadership and Knowledge

Mobilization of Net-Zero

Organizations

Transformation Research Network
with Energi Media, Edmonton,
\$15,000

Quebec Version of the ZEV

Supply Chain Coalition

Transition Accelerator with
Propulsion Québec, Montreal,
\$25,000

Canada Climate Law Initiative
Phase 3

University of British Columbia, Peter
A. Allard School of Law, Vancouver,
\$25,000

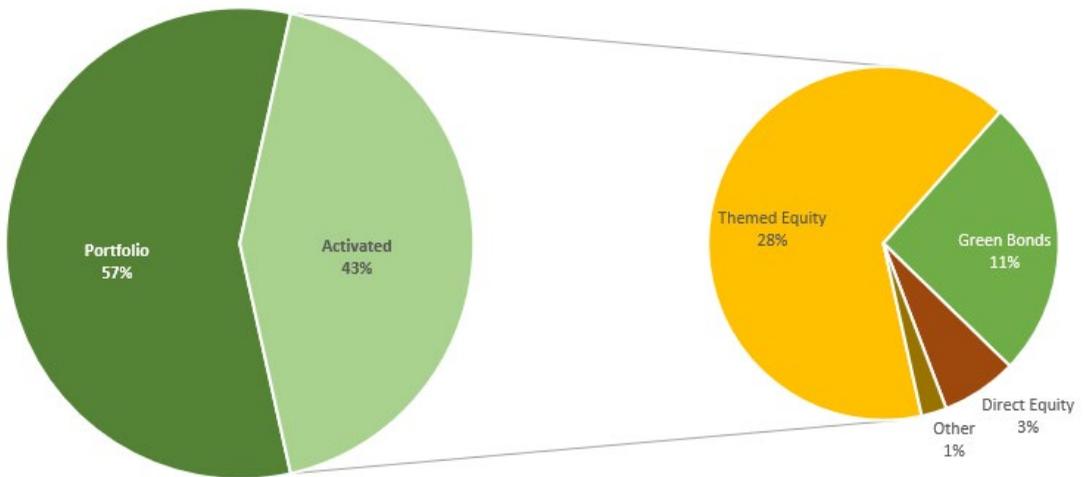
Summary of Grants 1948-2021

	<i>Environment & Conservation</i>	<i>Director- Initiated</i>	<i>Total Grants Approved</i>	<i>Program Expenses</i>	<i>Grants Paid and Program Expenses</i>
<i>1948-2017</i>	\$37,790,598	\$50,762,213	\$88,552,811	\$5,964,705	\$94,517,516
<i>2018</i>	2,331,475	NIL	2,331,475	1,022,899	3,354,374
<i>2019</i>	3,302,300	200,000	3,502,300	1,060,403	4,562,703
<i>2020</i>	2,833,800	400,000	3,233,800	918,901	4,152,701
<i>2021</i>	4,180,715	NIL	4,180,715	1,049,390	5,230,105
<i>TOTAL</i>	\$50,438,888	\$51,362,213	\$101,801,101	\$10,016,298	\$111,817,399

SUSTAINABLE INVESTING

The Ivey Foundation considers all of its assets as a tool for making progress towards achieving its mission and goals. This pie chart shows how the Foundation uses various investment strategies and approaches to “activate” its endowment portfolio. These strategies include green bonds, Canadian and global environmentally-themed equity funds, specialized credit facilities, and a direct equity position in a Canadian-based global renewable energy company.

As at December 31, 2021



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of Ivey Foundation:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021, and the summary statement of operations for the year then ended, are derived from the audited financial statements of Ivey Foundation for the year ended December 31, 2021. In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the established criteria noted below.

Other Matter

The summary financial statements of Ivey Foundation for the year ended December 31, 2020 were reported on by another auditor who expressed an unmodified opinion on those summary financial statements on May 27, 2021.

Summary Financial Statements

The summary financial statements do not contain the summary statement of changes in net assets, summary statement of cash flows, or all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report for the year ended December 31, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the established criteria noted below.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Adams & Miles LLP

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario
Toronto, Ontario – May 2022

Criteria applied in the preparation of the summary financial statements

The criteria applied by management in the preparation of these summary financial statements are as follows: a) The information in the summary financial statements is in agreement with the related information in the complete financial statements; and b) The summary financial statements contain all the information necessary to avoid distorting or obscuring matters disclosed in the complete financial statements, including the notes therein. Management determined that the statement of changes in net assets and the statement of cash flows do not provide additional useful information, and as such has not included them as part of the summary financial statements.

SUMMARY FINANCIAL STATEMENTS

SUMMARY STATEMENT OF FINANCIAL POSITION as at December 31, 2021

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 18,266,879	\$ 4,534,396
Investments	104,614,563	104,341,566
Other assets	638,430	502,605
	\$ 123,519,872	\$ 109,378,567
LIABILITIES		
Accounts payable and accrued liabilities	\$ 203,508	\$ 418,812
Unpaid grants	885,000	275,000
	\$ 1,088,508	\$ 693,812
NET ASSETS		
Restricted in Perpetuity Fund	\$ 5,782,733	\$ 5,224,208
Unrestricted	116,648,631	103,460,547
	\$ 122,431,364	\$ 108,684,755
	\$ 123,519,872	\$ 109,378,567

SUMMARY STATEMENT OF OPERATIONS as at December 31, 2021

	2021	2020
REVENUE		
Bequest	\$ 5,900,000	\$ -
Realized gain on sale of investments	5,873,097	10,815,665
Change in unrealized gains (losses)	5,610,550	(1,029,749)
Interest, dividends, and other income	2,760,035	3,071,410
Total revenue before expenditures	\$ 20,143,682	\$ 12,857,326
EXPENDITURES		
Management and administration:		
Investment management, custodian and audit fees	\$ 1,168,120	\$ 1,123,407
Other	356,518	214,361
Management and administration	\$ 1,524,638	\$ 1,337,768
Program expenditures	1,049,390	918,900
Grants	4,180,715	3,233,800
Total expenditures	\$ 6,754,743	\$ 4,152,700
EXCESS OF REVENUE OVER EXPENDITURES	\$ 13,388,939	\$ 7,366,858

