Lobbying against Nature

Federal lobbying efforts by natural resource companies to influence nature and biodiversity policies

February 2024

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Introduction

More than a year after <u>committing</u> to pass nature protection legislation implementing the <u>Kunming-Montreal Agreement</u>, the Liberal government has **not only failed** to follow through on its promise, but it has been **focusing its resources** on dubious environmental initiatives promoted by the logging, mining, agribusiness and oil industry.

Since June 2022, the federal government has been rolling out the <u>Greenhouse Gas</u> <u>Offset Credit System</u> to enable big polluters to **"offset" their greenhouse emissions by paying others** to improve forest management or farming practices. The government has also started <u>consulting</u> on a new system that could allow corporations to offset their destruction of wildlife habitat by paying a fee — so-called "biodiversity offsets".

Greenpeace Canada set out to better understand what is causing this offset system to be prioritized by the federal government over new nature legislation and other urgent measures to **halt the biodiversity crisis**.

Through access to information requests and the publicly available <u>registry of federal</u> <u>lobbyists</u>, we have identified a **concerted effort by the natural resource sector** to influence the government towards offset-enabling policies and away from more meaningful actions like strong nature protections or absolute emissions reductions. A united front of logging, mining, agribusiness and oil interests has **intensified its lobbying** with key government departments. **Shell Canada**, in particular, seems to have a heavy hand.

Our report shines a light on this influence by providing specific examples of how businesses frame offsets as essential for climate action, and how frequently they lobby the government departments that shape environmental policy. Their influence should be concerning to every person living in Canada who believes the climate and nature crises impacts us all — **not just big businesses**.

Industry roundtables on Canadian nature targets

Documents obtained by Greenpeace Canada through an <u>Access to Information request</u> <u>in 2023</u> showed that a key group of logging, mining and oil companies met with government representatives to discuss Canada's domestic implementation of the Kunming-Montreal Agreement last year.

Forty-one companies attended meetings on June 29, 2023, hosted by Natural Resources Canada (NRCan) and Environment and Climate Change Canada (ECCC). The purpose of these meetings was to support the implementation of the Kunming-Montreal Agreement by *"fostering discussions with natural resources industries and noting their responses...."*

Mining industry representatives were unequivocally supportive of offsets as a mechanism for implementing the Agreement, calling for "financial incentives" for actions they might take, including via biodiversity offsets and "habitat banking."

Similarly, the logging industry, represented by the Forest Products Association of Canada, <u>secretive multinational Paper Excellence</u>, and others, advocated "incentives" for measures to improve or mitigate harms to ecosystems. They warned that meeting a key nature target under Kunming-Montreal (30% of all land protected by 2030) "will be difficult to achieve" and that logging companies would rather contribute to other goals.

Drastic spike in big polluters' lobbying at the federal level

We used the federal lobbying database to track the influence of all 41 companies in attendance to better understand the scope of lobbying for these and other industry-centered policies (see Appendix).¹

Our findings reveal that there has been a **significant increase in lobbying from these big polluters** across both the federal government as a whole, as well as key departments shaping national biodiversity and climate policy.² For instance, lobbying across all departments **increased by 143% from 2015 to 2023**, demonstrating a clear opportunity for the major corporations to influence the Trudeau government.³

Even when we restricted our search to the four government departments most involved in environmental policy — Natural Resources; Environment and Climate Change, Fisheries and Oceans; and Agriculture and Agri-Food — we found a **stunning 222% increase in lobbying meetings over this time period**.⁴



The **Mining Association of Canada**, for example, has been one of the most prominent lobbying groups on our shortlist. They scheduled **over a quarter of all meetings** with the four key environmental government departments from 2015 to 2019, and more than a tenth of all meetings from 2019 to the present.⁵ Last year, the group's president called for <u>more mines</u> to be opened, even though cleaning up mining pollution has cost Canadian taxpayers <u>more than \$10 billion</u> over the last 30 years.

The Shell Game

Although Shell Canada did not attend the industry roundtable, it has been vocally lobbying for a <u>national carbon offset system</u> since <u>at least 2020</u>. Given the <u>shaky</u> <u>scientific basis</u> for such a scheme and <u>public concerns</u> in Canada over the commodification of nature to benefit big polluters, this lobbying has been remarkably successful as the federal *Greenhouse Gas Offset Credit System Regulations* (GHG Offset Regulations) were established <u>on June 8, 2022</u>.

Despite this effective lobbying, Shell recently abandoned <u>an advertising campaign</u> urging the Canadian public to buy their fossil fuel products under the guise of "carbon neutrality" using the company's offsets scheme. This came after a Greenpeace Canada <u>complaint to the Competition Bureau disputing</u> Shell's claims and shower that there was little evidence tp support them.

What are carbon and biodiversity offsets?



A "carbon offset" describes an amount of greenhouse gas emissions that is avoided or sequestered, for example through tree planting, in order to compensate for emissions occurring elsewhere. They are commonly linked with a market-based system for the sale of "carbon credits" to big corporations and polluters.



A "biodiversity offset" refers to improvements made to biodiversity in one location, like wildlife habitat, in order to offset their disappearance in another. Publicly available draft documents confirm that the federal government is actively considering a federal Offsetting Policy for Biodiversity. Greenpeace has repeatedly argued that any such legislation could enable "habitat banking," wherein wealthy developers could pay a fee in order to destroy biodiversity.

Are offsets effective public policy?



Greenpeace and others around the world are critical of these offset schemes. Guarantees of future nature protection are often questionable and carbon takes a long time to store in trees — when a fossil fuel is burned, the carbon is released immediately. Perhaps worst of all, offsetting makes nature a commodity for big corporations to use for their own profits, instead of something for us all to experience and have a say in.



The <u>science is clear</u>: in order to halt the climate and biodiversity crises we are witnessing, we need to reduce emissions and stop destroying nature at the same time, not enable more of the same. In December 2023, Greenpeace International released a <u>discussion paper</u> on moving beyond carbon markets. Greenpeace Canada has made submissions to the federal government arguing why both <u>carbon</u> and <u>biodiversity offsets</u> are bad public policy.

Further, our research also showed that a key staffer in Environment Minister Guilbeault's office (Nina Lothian, Director of Climate and Energy Policy), in 2021 coauthored a research paper that was <u>funded by Shell Canada</u>. This paper argues that in order "to successfully implement NBS offsets, Canada must develop credible protocols at the provincial and federal levels" and that "Nature-based offsets can contribute to meeting biodiversity and conservation targets." Interestingly, according to our research, carbon offset seller DevvStream — valued at <u>over \$280 million last year</u> and <u>connected</u> <u>to</u> Bolivian offset projects that cheated local Indigenous communities — <u>has met</u> with Nina Lothian. But when Greenpeace Canada requested notes for the meeting with DevvStream to gauge whether Lothian still holds views favoring offsets behind closed doors, we were told no such records exist.

A united industrial front

The federal government <u>has pledged</u> to create a public registry of offsets that are monitored under its GHG Offset regulations. But this has yet to materialise and our Access to Information request to view the in-progress registry was denied, so we turned to <u>Alberta's public carbon offset registry</u> — one of <u>two provincial offset schemes</u> that Ottawa considers compliant with its own standards — to track the **most prominent offset proponents and developers**.

Alberta's registry lists 28 entities that together developed 85% of all active or completed offset projects based in Canada (see Appendix). This group can accordingly be said to have a dominant "market share" in the province. These entities also show a remarkably united front across extractive industries in favour of offsets. Shell Canada features, unsurprisingly, but there are also logging giants and big agribusiness interests.



When we examined the lobbying activities of this group at the federal level, we saw a very significant **increase since the Trudeau government was elected in 2015.** This trend again holds whether we look at overall or targeted lobbying. Lobbying meetings across all government departments **increased 185%** from 70 in 2015 to 200 in 2023, and an **astonishing 368%** from 22 in 2015 to 103 in 2023 for key departments.⁶

Conclusion

The growing lobbying from offset proponents shows the potential for extractive corporations to skew government policies towards dubious measures which enable them to continue business-as-usual in return for paying to pollute or destroy biodiversity.

In Greenpeace Canada's opinion, this rush to offset and reluctance to legislate nature protection serves the interests of major corporations causing the climate and biodiversity crises we are experiencing. Their outsized influence and ability to achieve this is deeply troubling.

Based on these findings, we are calling for two things:



A systematic, independent review of federal offset programmes to transparently evaluate their benefits to the Canadian public, not big polluters; and

Swift progress by the federal government to finally pass **new nature and biodiversity legislation** in 2024 to implement the Kunming-Montreal Agreement.

Notes

1. Previous reporting from the <u>Investigative Journalism Foundation and Canada's National</u> <u>Observer</u> has shown that this database can shed light on the influence of corporate lobbying.

2. See Appendix for methodology and sources of data.

3. 2015: 425 meetings; 2023: 1035 meetings

4. 2015: 140 meetings; 2023: 451 meetings

5. Share of key departmental meetings — 2015: 27.9%; 2016: 28.6%; 2017: 35.3%; 2018: 29.3%; 2019: 28.5%; 2020: 11.7%; 2021: 16.2%; 2022: 10.9%; 2023: 12.0%.

6. All department meetings — 2015: 70; 2023: 200. Key department meetings — 2015: 22; 2023: 103.

Appendix

A. Full list of industry stakeholders present at the NRCan/ECCC meeting regarding the domestic implementation of the Kunming-Montreal Global Biodiversity Framework, June 29, 2023:

(The disclosed records are available online.)

Energy sector: Canada's Oil Sands Innovation Alliance; Canadian Association of Petroleum Producers (CAPP); Canadian Fuels Association; Canadian Natural Resources Ltd.; Cenovus; Encana; Explorers and Producers Association of Canada; Imperial Oil; LNG Canada; Ovintiv; Pathways Alliance; Suncor; TC Energy

Forest sector: AV Group NB; Canadian Institute of Forestry; Canadian Wood Council; COREM; Council of Forest Industries; Forests NB; Forest Products Association of Canada; Forest Stewardship Council; Groupements Forestiers Quebec; Maritime Lumber Bureau; Ontario Forest Industries Association; Ontario Maple Syrup Producer's Association; Paper Excellence; Sustainable Forest Initiative; Woodlot Association of Alberta

Mining sector: Association for Mineral Exploration BC; Deloitte; Ecometrix; Falco Resources; Fertilizer Canada; Mining Association of Canada; New Gold Inc.; Newmont; Orano Canada; Prospectors and Developers Association of Canada; Omya Canada; Quebec Mining Association; Stantec; Teck Resources

B. Full list of key developers for Canadian carbon offset projects registered in Alberta, with percentage contribution to the number of Canadian projects listed as "active" or "retired" in parentheses:

Shell Canada Limited (13.3%); Radicle Group Inc. (7.1%); TransAlta Renewables (6.3%); Orica Canada Inc. (5.6%); Trimble Canada Corporation (Agri-Trend) (5.2%); Crop Production Services (Canada) Inc. (4.9%); Cap-Op Energy Inc. (4.6%); Enhance Energy Inc (4.3%); Oldman 2 Wind Farm Ltd. (3.0%) Anew Methane Reductions ULC (3.0%); Dapp Power L.P. (2.7%); CP Energy Marketing L.P. (2.5%); AlphaBow Energy Ltd. (2.1%); CNOOC Petroleum North America ULC (2.0%); Suncor Energy Inc. (1.8%); Fortuna GP, ULC (1.7%); Castle Rock Ridge Limited Partnership (1.6%); AltaGas Processing Partnership (1.6%); ENMAX Energy Corporation (1.5%); Cargill Ltd. (1.5%); Slave Lake Pulp (a division of West Fraser Mills Ltd.) (1.3%); Emission Credits Corporation (ECC) (1.3%); Terra Verde Emissions Credits Inc. (1.2%); ATCO Power Alberta Limited Partnership (1.2%); City of Edmonton (1.1%); Mercer Peace River Pulp Ltd. (1.1%); Millar Western Forest Products Ltd. (1.1%); Canadian Forest Products Ltd. (CANFOR) (1.0%)

C. Investigative methodology and sources of data

The federal government's <u>public registry of lobbyists</u> contains a vast amount of information on the identities of corporate lobbyists, the government officials they meet with, and the subjects they discuss in these meetings.

For **Section 3**: **Drastic spike in big polluters' lobbying at the federal level**, we scraped this database for communications disclosed by the 41 attendees of the June 29, 2013 meeting to discuss the Kunming-Montreal Framework. Although these communications can be in-person meetings or written letters, we have referred to them as "meetings" to avoid overcomplication. A meeting was defined to be an individual instance of a single government official meeting with any number of lobbyists from one entity. We filtered out duplicate records for different subjects discussed in the same meeting and for the names of multiple lobbyists from the same entity attending a meeting together. A narrower scrape focused on the four government departments deemed by Greenpeace to be of particular note given their influence on environmental policy: Natural Resources Canada; Environment and Climate Change Canada; Fisheries and Oceans Canada; and Agriculture and Agri-Food Canada.

For **Section 5: A united industrial front**, a list of prominent carbon offset developers was drawn from Alberta's public registry of carbon offsets as the federal public registry was not yet released. Twenty-eight entities listed as "active" or "retired" (i.e., completed successfully) together made up 85% of all such projects in Canada. The federal lobbying database was scraped for disclosed meetings conducted by this list of entities. NRCan, ECCC, DFO, and AAFC were again selected for a second, narrower search.

The raw data is available for: lobbying from natural resource companies across <u>all departments</u> and <u>key departments</u>; the <u>list of offset project developers in the Alberta registry</u>; and lobbying from offset project developers across <u>all departments</u> and <u>key departments</u>.