



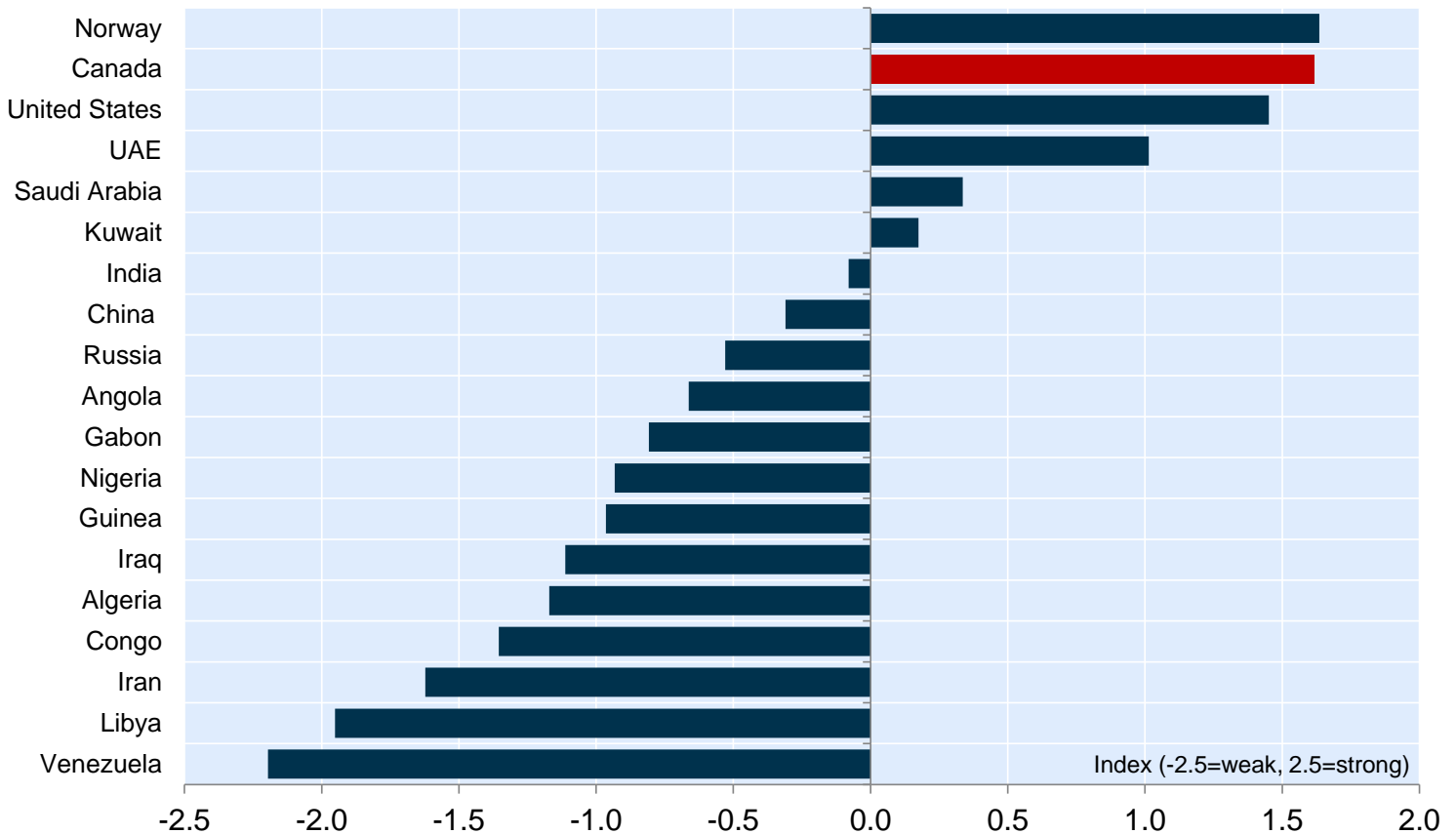
## Canada Watch

By Stéfane Marion

As our colleague Angelo Katsoras recently [argued](#), geopolitical tensions and growing protectionist sentiments are forcing companies to establish additional supply chains in less strategically vulnerable locations. This means producing more domestically and importing more energy products from allied countries, especially those that have good ESG credentials. When it comes to deciding which energy producers are worthy of the name, governance is of the utmost importance to avoid greenwashing. According to the World Bank, governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them. As today's Hot Chart shows, Canada is a world leader in governance. So it's no wonder that the German Chancellor and the Japanese Prime Minister recently visited Canada to inquire about our willingness to supply them with essential energy and to reposition our country in the Western world's developing supply chain. Sadly, we turned our backs on them.

### Canada: ESG is meaningless if you ignore “G”overnance

Index of regulatory quality for OPEC countries plus Canada, Norway, U.S., China and India (2021)



NBF Economics and Strategy (data via [World Bank](#))

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