

COVID -19 ROUNDTABLE CALL RECAP

Compare/share/learn - May 6, 2020

Welcome to our 9th weekly COVID Roundtable call. This has become much more than responding to a pandemic, it has become more about business and organizational transformation. At Caldwell, we know plenty of smart people who know a lot about that and we figured let's leverage our connectivity and bring some of that thought leadership to you, where we learn, share and compare with each other.

We're excited to introduce a few special guests today who will give you real actionable insights that you can hopefully take back to your communities or your companies. Our first speaker is Order of Canada recipient, Kim McConnell. In addition to co-founding and running AdFarm for 35 years, he's deeply involved in all things AG and is also the chair of the Canadian Center for Food Integrity. Kim is going to share background info on whether we need to be nervous about our food supply.

Then, we'll hear from Bruce Waterman, who had a very successful career as a CFO in multiple industries, culminating in him being named CFO of the Year. Bruce has since moved into his director career, sits on multiple boards and knows firsthand about disruption. He's going to share his perspective on how boards and directors need to balance that immediate need to react to the crisis, with thinking strategically for an uncertain-looking future.

Next, we'll hear from Mark Fitzgerald, the CEO of Petronas Canada. With this week being Mental Health Week, we thought who better to give insights on mental health than one of the more passionate and switched-on CEOs on the topic? Mark will dive into how companies need to pay attention to mental health more than ever during these crazy COVID times.

And finally, we'll hear from CHRO, Jane Fedoretz from TransAlta, one of the largest power producers in North America with operations in the US, Canada and Australia. TransAlta has been best-in-class on their return to work strategies, and since many regions are starting to return to work as we speak, we thought it'd be good to include her. So let's get started.

Kim, can you give an overview of the sector and how it's being impacted by COVID?

Kim McConnell: Well, first off, thanks for giving me the opportunity to speak a little bit about our industry, the agrifood industry. We are in the news a fair bit these days and that's something that we're not really accustomed to. When there's a weather occurrence or an international trade dispute, the agriculture/food industry is often brought up, but it is never brought up when you think of food security in Canada. This is a whole new game to us.

I'm going to spend a minute on our food supply chain and give a perspective on the current issue we're facing and whether we should be worried about our food and food security. Then, I'll spend a minute on what the future may look like for Canada's agrifood industry.

Agrifood is a term that encompasses the whole industry. It's the primary agriculture component - from the genetics and innovation providers to the farmers and ranchers, to the agribusiness community, the Nutrien's and the John Deere's. It's the processors, the packers, the branded food companies, the grocery stores, the retail food service and it's also government with the regulators and the inspectors. It's a pretty big chain. In fact, it's probably the largest food supply chain in the world. In Canada, it's a \$140 billion dollar domestic business. It's a \$65 billion dollar export business and we export all around, and it's got tremendous growth opportunities.

As I indicated, we're domestic and export. Unlike the United States and unlike many of the countries in the world, we export over 50 percent of what we produce. We're a chain with various sectors and links, with various and many, many players. For example, there are about 250,000 farms, 15,000 probably produce the majority of the food and most are family operated and we're quite concentrated. You look at the life-science companies, there are four global life science companies that control most of it. You look at the processors and packers in Canada, we have two big beef packers and a couple little ones. Look at the pork industry, it's Canadian owned, but still only a few big packers. You look at our supply chain which is global and as we're seeing now, when there's a pinch in the chain, it can cause a pretty big challenge. And why do we have a system like this? Well, I think we need to first understand that consumers want and are demanding cheap food. The second major reason is that investments in this industry are large - big, big, big. We're also an industry that is very high-tech and automated and by the same token, we're very manual.

You look at the crop sector, at chicken production, for example, extremely automated and high-tech. At the recent computer/electronics show/event, the booth that took over was the John Deere sprayer showing its technological advances. It's very innovative. On the other hand, you look at vegetables and fruits and packing plants, they're very manual. And they are not jobs that Canadians want, but don't confuse some of these jobs with low skill, because some of them are quite high skill. For example, in the meat industry, the meat fabrication industry, those are pretty high skill jobs.

So what the heck has happened here? First, let's be very clear, it's not a case of there's not enough food. There is lots of food. There's plenty of food but the chain was disrupted. Second, the food chain, like most production chains, work "just in time" and we've been pushing the limits and there's no doubt about that. And if you have break in this chain, then things break up. So that's kind of what happened. If look a little earlier, we have COVID and we have the temporary foreign worker challenge. Foreign workers that are coming in, to primarily work in fruit and vegetable greenhouses were delayed and that caused a problem.

Then we had changes in consumer purchases when everybody started staying at home. We stopped going to restaurants and started over-buying in the grocery stores. Look at Tim Hortons and the whole works, we don't stop for breakfast anymore on the way to work. Look at the french fry business it's way down, and so are salads. I understand that we eat more salads at restaurants than we do when we're at home and snacks are up. Look at Loblaws, our big food chains, way up in sales and not only that, it's hard to get the number of trucks to service them. A big change in that regard. Kellogg's sales are up 43 percent.

So you look at all of these and you start saying, "Well, why the heck would stores be out of stock?" The volumes changed and so did the package sizes. When you're servicing Tim Horton's with milk, they take very big containers. When you're putting them into Loblaws, they need little containers and there's not enough packages and there's all these other things. We're adjusting and we will get it worked out. We also have to understand that price is becoming pretty darn important. Price is changing consumer buying habits and it's also changing what we can actually afford to have. Then, we have the meat issue or the packing plant issue, which is serious and has significant consequences. It doesn't just affect meat and animals, it also affects crops, because the feed industry is a huge part of the overall agricultural industry. When you see the crop guys standing up for the animal guys, now, you understand why.

The animal processing plants, these are, as I said before, primarily run by a large number of immigrant employee workers who work in close proximity. Sicknes occurred and the processing lines would slow down, get spaced out and in some cases lead to plant closures. And what happens is the animals get backed up because they can't get pushed in, they need to be fed and if they have no place to go, then we're in trouble.

On the other end of the plant, there's less meat coming out. The demand is high and prices are high. Let's look at some examples of that. I'll use some U.S. numbers. Canada's about 10 percent of that. But if you look at the beef industry, there's about 650,000 animals that are processed each week. There's 440,000 of them last week, so we had a pile up of 200,000 dead animals. In Canada, we have a pile up about 20,000 dead animals right now. In the hog and chicken industries, it's a whole bunch worse because those animals are confined. With cattle, we can put them out on the land; with pork and chickens, there is no place for them to go. So what we're starting to see in the US and we could easily be seeing in Canada, is some euthanasia, and this is really sad and very emotional for a farmer. And here we are seeing that there's quality meat, ready products, people want it, but they can't process it. The biggest processing problem is not on the killing floor, it's on the fabricating floor where they cut them and they put them into the packages. Let's remember, in our efficiency and what we're trying to do, most stores don't have butchers anymore. That all happens at the packing plant today.

We're having a pushback on that end of things. And on the opposite end, demand is high, stores want more, McDonald's wants more and they can't get enough of this because it's not coming out. This is further elevated with China, who, out of this has huge demand and they're willing to pay. In the U.S. they're actually flying product over there. The processors are getting kicked from all angles. In some cases you may say they deserve it but they're getting back to work, get those things moving in that regard. By the same token, the massive profits that they are making in some cases right now are unbelievable as they are buying at a much reduced rate and going out on the other side.

So a couple of questions here :Is there is going to be a food shortage in Canada? I would say no, and, maybe. No, we're not going to starve. No, there will be sufficient calories. No, there will be lots of food in that regard. Yes, we're going to be short of some meat and that's happening now, and I suspect it's going to get worse.

I will say, though, that there is a mitigating factor in that because the price goes up and with millions of North Americans not having as much money, they won't be buying as much. But there is plenty of food and they will go on from there. Are prices going to go up? Yes. Will our consumer habits change as a result of this? Yes, we're eating more at home, we're baking more. There is less concern about GMOs and how do I get my oat milk or whatever else it is. Right now, we're more into does it taste good? Can I afford it? We're seeing lots of changes in that.

What does the future look like? I think there'll be lots of change, and don't expect this to go back to pre-COVID normal. There's considerably more respect going to be given to the agriculture and food industry than before. There will be more players, there'll be more local, there'll be more butchers, there'll be more bakers, there'll be more of that. I suspect there's going to be a huge interest in having more supplier options throughout the entire chain. Nobody wants to be held hostage in that regard. There's opportunity for smaller, but we're still going to have some scale in order to compete. Inventories are going to be less important than they have been in the past.

There's going to be more suppliers in all sections of the chain. We won't just be looking at China to bring us this or that to go somewhere else. We're looking at all of that. Who you are going to trust to be able to deliver will be an important part of it. Who are you going to be able to trust, period! Is it local? Can I trust that it's been produced this way? This presents huge opportunities for the Canadian agricultural industry. We are one of only a few that produce more than we consume. Food security and food supply is very important and will probably become a negotiating piece that we have never used before in our life but maybe we can start to.

We have the natural resources, the land, the water, the air, the farmers, the technology. We have a production process for how we grow things and how we capture carbon and the whole works. There are investment opportunities. My phone rings off the wall these days with people saying, "How do I get involved in this? What do we do in that different area?" And they range from plant-based companies in the UK that are interested in setting up here to smaller operations and go from there.

The job opportunities from robotics to technology to inspectors, you know, the University of Guelph, there's four jobs for every ag grad. So if you're sitting there and say, "What the heck are my kids going to do?" Get in agriculture. There's lots of opportunities and good ones at that. But we better start telling our story and we better start being better ambassadors on that.

I'll end off with this, we're an industry that is struggling here right now. We will get through it. You have great assurance that our food is the highest quality in the world. Our systems are good. We will get through this and we are an industry of growth - jobs, investment, carbon capture, the whole works like that.

Les: Well, Kim, this is fantastic. You know, your passion for the sector obviously shines through. Let's move onto Bruce Waterman. Bruce, this is a challenge for boards. How do directors balance the need to work with management to react to the immediate crisis at hand while still focusing on the long term strategic direction of the organization? It's very challenging but obviously it's easy-peasy for you though, right, Bruce?

Bruce Waterman: Hahaha. Well, of course. Well, thanks. Thanks, Les and good morning.

I do want to talk about the role that boards can play as we go through this crisis and I think they play a very important role. I want to start with a quote from Charles Swindoll, who said, "Life is 10% what happens to me and 90% how I react to it." I like that quote, because I think in terms of COVID-19, it's important to think about it, not just in terms of what it's doing to us but how we react to it. And board members do have an important role.

I don't really like the word react, so maybe I'll say I'm going to talk about the role that the boards can play in helping companies successfully navigate through this crisis and with particular emphasis on trying to make sure you're in the optimum position to take advantage of the recovery when it really happens.

COVID-19 is a black swan event, which by definition means it wasn't contemplated when all of us came up with our risk matrixes in our companies. It also means that whatever crisis management planning we did probably isn't providing much guidance on how to deal with it right now. But just talking about the risk component, when go through your risk identification, the next stage is to decide what to do with those risks. There's only three things you could do with risk: you can get rid of it, insurance, for example; you can mitigate it, and a classic would be hedging; or you can decide to accept it because you have the expertise and the resources to deal with it.

That's really how a company outperforms by identifying the right risks to take as a company. When you have a black swan event like COVID-19, it's really too late for you to get rid of or mitigate the risk. So, the reality is you're dealing with the risks the best way you can, whether or not you have the resources or the expertise to do so.

So how does a board play in that scenario? You can provide guidance, advice and support. It's management who is in the trenches and they are ones who have the responsibility to deal with it. They know the company and know the industry the best, they can react the quickest and deal with it most effectively and efficiently. They are dealing with them on a daily and sometimes hourly basis. So the boards really aren't in the trenches at that point, but they can do more than just be supportive. Boards have certain advantages that they can bring to bear and advantages that may be something different than the strengths that management has. I'm going to talk about a few: experience; diversity of thought and a different and longer-term perspective.

I'm not going to spend a whole lot of time on experience because I think everybody knows that most boards comprise of a lot of old people. They have decades of experience and you could actually get into a discussion about whether age diversity is a problem for boards, but they do have experience. And while they may not have COVID-19 experience, they have been through the fire. I like the phrase, "Experience is something you don't get until just after the first time you need it." So, having experience going through crises is very important.

The next is diversity of thought. And if you have a well-constructed board, you have diversity. And I'm not just talking about gender diversity, which is important, but diversity in terms of functional expertise, culture and industry. As an example, if you gave a problem to an engineer, a financial person, an HR person and a marketing person, they would all approach the problem differently and all would probably come

up with slightly different answer. If you put them all in the same room and give them a problem, it might take them a little longer, but they would come up with a better solution.

The other day, I was talking to my oldest brother, who's actually a PhD in psychology. We were talking about COVID-19 and I was talking about the impact of the enormous amount of debt that governments from the developed countries are incurring, which will limit their financial flexibility. Those debt levels will mean that they're not just not going to have the money they had before because they're going to be paying down debt or at the very least are going to be restricting their government programs because they won't have financial capability. And what does that mean? Being from Alberta and on some oil and gas boards, I was talking about oil and gas and I was saying, does that mean that they're going to have less support for some of the green energy programs that they've been supporting, particularly if they need substantial government support?

And does it mean that there'll be more support for industries like oil and gas because of the thousands of jobs and billions of tax revenue that it generates. Oil and gas has been traditionally the biggest export earner in the Canadian economy. My brother said, "well, I've been thinking about the impact as well. But I've been thinking about it in terms of the changed behavior." And he wasn't just talking about more working from home and more virtual meetings. He was talking about how people are going to interact in the longer term and how they're going to live their lives. How's that going to change? And how does that change what they do and how does that impact society? So being a financial guy, I was thinking about it from financial impact. My brother was thinking about it from a psychological or how do you interact perspective. And if you just blend those two thoughts in a very simple example and you say how will that affect how people take vacations, does that mean they're going to fly less? And if they're not hopping on a plane to go somewhere, does that mean they're going to take more local vacations, hop in the car and drive around? And what does that mean from an oil and gas point of view? Does that mean there's going to be less jet fuel consumed? If you listen to some of Air Canada's announcements they seem to think so for at least for the next few years. Well, jet fuel is a very profitable product and in a refinery slate, so you might have to change that and say is gasoline consumption going to be higher than expected just because people are driving more. So that's a very simple example, you bring different perspectives together and you blend them together and you start to think about different ways the world may develop. And usually it generates thoughts that you wouldn't have come up with before.

The last point is probably the most difficult to describe, and I think it's probably most important. And that's the board may have a different or a longer-term perspective. The board has an advantage because they're one step removed from dealing with the crisis, so hopefully they can look at things from a longer term or broader perspective.

There's an old saying, "when you're up to your ass in alligators, it's hard to plan to drain the swamp" and management is wrestling with those alligators on a daily basis. But board members have the luxury of not having to do that and therefore, they can take that longer-term strategic perspective and think about how the company can come out of the crisis in the best possible position. So how do you do that? What it really involves is developing visions of the future - different scenarios of what the world's going to look like and identifying if those scenarios come to pass.

How do you want your company to be positioned and take advantage of that? And can you actually position yourselves optimally in this future world? And when you go through that process, you also identify some signposts. Things that are going to happen that will really give your company an early warning. If you see these things happening, then it tells you that one of those scenarios you thought through seems to be coming to pass and you're a little bit ahead of the competition, hopefully, in recognizing that.

Sometimes when you go through all those scenarios, you identify actions, which in almost every scenario, are something you should be doing anyway. And you can implement it now because no matter how the world develops it's probably going to be helpful. And there's also going to be business development opportunities for companies as we go through the crisis.

Winston Churchill said, "Never let a good crisis go to waste." For companies who have concluded they will survive, that's obviously the first priority. When you've decided you're going to survive and hopefully you convinced your investors that you're going to survive, start to think about how you can best position yourself to come out of the crisis and through the recovery to take full benefit of that. If you have the business model and the liquidity to think like that, it's a certainty that some of your competitors in your space or in adjacent space won't have maintained that liquidity and therefore are vulnerable. And as Warren Buffett said, "only when the tide goes out, do you discover who's been swimming naked."

I'm not going to predict whether the curve will be V-shaped or U-shaped or W-shaped or even a more extended recession, but if you go through the process of developing those future scenarios, the board can have a really important role to play. You can identify the opportunities that, if you take advantage of them, you really position the company well to be in that position to take advantage of the recovery. You can put your company in an advantaged position in relation to the competition.

Now, I'm fortunately on boards where we have management teams that not only wrestle alligators but actually think strategically, but the board members can still play a big role in thinking those scenarios through and adding those different perspectives. They also have the advantage of being one step removed and having more of a calm perspective. It's difficult for management to actually be and project calm, in all cases when you're dealing with this kind of crisis.

I'll just close with a Rudyard Kipling comment that, "if you can keep your head when all about you are losing theirs, you can often see advantages in a situation that others miss."

Les: Well, thank you, Bruce. That's great and there have been a few questions that have come to me via email as well as a couple that have come through zoom. We'll leave those questions for the end. But maybe just to plant a seed, one of the questions was specifically around how you continue to manage for that strategic long term when you are particularly thinking on a quarterly basis for shareholders and worrying about that on an immediate basis, too. So I'll leave that question for you.

And let's move to Mark so that we can leave some time for Jane and questions. I love that quote about never letting a good crisis go to waste. It's quite easy when you're at the board or CEO level looking to make the changes you've been trying to make or should be making. But frankly, when you're on the front lines and it's impacting you personally, it really has a dramatic impact on mental health. And so I'd like to switch gears now and ask for Mark Fitzgerald to move into our mental health segment.

Mark, first thing, I often find that advocates of mental health have historically been those in maybe more the HR function within organizations. But here you are as a CEO and a key driving force on the issue, within your organization as well as across the industry and across the country. Tell us maybe a little bit more about, where this passion comes from and just some thoughts on the topic.

Mark Fitzgerald: Yeah, certainly. Before I start, I want to provide a couple of acknowledgements. One is this is mental health week, so it's a great time to speak about this. And also want to acknowledge a wonderful person named Karen Gosbee who's on the call and who is really the inspiration for me and a lot of the focus on mental health. I'm going to challenge the group today and I'm going to choose to be a little controversial. So, if Les kicks me out halfway through, then I was apparently a little too direct.

Before we start, just a little bit about me - I have two kids, married, very active in various associations and foundations over the years, including Classroom Champions, which pairs Olympic athletes with underprivileged classrooms. I sit on the board for Stars and have recently become involved in the Stewardship Council for the City of Calgary's Community Action on Mental Health and Addiction, which has led to the formation of a leadership or CEO table in Alberta to help support that in our corporate world.

So we know that in the oil and gas industry - and I'll speak to that because that's what I've been involved in for my career over 30 years - we're going through a ton of turmoil. We have gone through a ton of turmoil historically, and now we're in the midst of this pandemic, which any one of those on its own could create significant stressors and strains in any organization and anybody associated with those organizations. But it's highlighted more than ever why mental health is much more important than perhaps we perceived in the past.

This pandemic is uncharted territory, as Bruce talked about, it's a black swan event. It's not something that we ever really believed would happen. And in terms of our social and mental boundaries and impacts associated with that, it's something we never anticipated before. I want to share a few thoughts and stats on that. We're seeing physical distancing, home schooling and caring for family, creating all new types of stressors and emotional challenges in our organizations. I had an individual approach me from our company and say, "you know, I married my spouse because I love her. But I never really married her to spend 24 hours a day, every day with her." I laughed and he was dead serious.

Those are the types of stressors that are emerging in our organizations. If you listen to some of the news recently, a recent Angus Reid poll said that mental health is getting worse and we would not be surprised by that. Being worried, being anxious, dealing with depression are three of the top stressors in our organization. Right now, almost three in four individuals report that stress, strain and anxiety are having a negative impact on their work life. We're seeing increasing rates of suicides and increased rates of anxiety, depression, post-traumatic stress disorders, addiction, domestic abuse, spousal abuse, and child abuse. These are all being documented as consequences of what's occurring around us. Some of the other stats that are frightening include almost 80 percent of our short- and long-term disability claims as a corporation are rooted in mental health impacts. The annual loss.

So, if we think about our role as leaders in the corporate world and what that means, our annual loss associated with mental health impacts in Canada is \$33 billion per year. Current estimates globally, it's over \$1 trillion dollars per year - there is a very significant productivity and profitability loss associated with that. Perhaps more concerning than anything is that if you ask an individual whether they feel safe to talk about a mental health challenge they have at work, 80 percent will say 'no' because they fear that talking about it will have an impact on their promotability or they may lose their jobs. If you look at the other side of it, only one in five corporations in Canada focus on mental health as a critical risk for them corporately go forward right now. You may come back and say to me well, we have employee assistance programs, we have family assistance programs, we put in place what we need to provide that support to our staff. And you know what? Two years ago, I would have agreed with you. I would have said to you that our organization has an employee assistance program and it's there to provide what each of us needs.

I want to share a personal story with you, and not because it's about me, but because it highlighted for me how critical this is as we move forward. In 2018, I was leading the largest natural gas resource file in Canada, Petronas, through a period of significant change and significant transition. During that time, I had a family member in hospital dealing with a mental health issue. My mother was diagnosed with terminal cancer and I was diagnosed with cancer. And as the CEO, historically, the mindset is you don't show weakness. You just deal with it because you have to be in front. I said at that time, I'm going to phone our employee assistance program because it's just too much. And it's just, you know, for any of us, we all reach those points. Well, here's what I learned when I did that.

First is the fear and stigma associated with making that phone call. One in 10 employees afflicted with a mental health challenge will make that phone call - only 1 in 10 because of the fear and stigma associated with it. Of those 1 in 10 that make that phone call, a significant portion will not proceed any further, because as they wait for the appointment or as they wait for the phone call, they shy away from it.

The other is that employee assistance programs are very focused on crisis and managing the crisis at the time. And my exposure to that was a single appointment with a single crisis management conversation around, are you going to kill yourself? Can you manage today? And if you need more, then we'll give you some resources or otherwise, you're gonna be on your own. And so that was for me, exceptionally enlightening in terms of what exists around us for mental health support. And I would say to you that all of our associations, the foundations, public services, health services, hospitals exist to manage crises. They exist to manage us, manage individuals when they reach a crisis point and when they're at the very end of their rope.

As we think about the long-term impacts of mental health on our society, though, approximately 60 percent of hospital visits or hospitalizations are rooted in a mental health challenge earlier on in somebody's life. Five percent of funding goes to mental health. So we're very good at acute care, and I learned that through my physical challenges. We're not very good at the mental health side.

I fully expect that as we come out of COVID-19, we're going to completely overwhelm the health systems with the second wave associated with mental health challenges as we deal with the physical side.

So my ask of you, I'm bad for that, I come on here and I'm going to ask you two things. One is that we need to create a narrative as leaders, corporate leaders to create a safe environment for people to deal with the mental health challenges, create healing, create opportunities to move forward. The second is that it has to be supported by programs that when somebody steps up and says I need some help a) it's OK to do that and b) they can reach into a program to do so.

I would suggest that in my experience the best value in those programs comes from the private sector right now. Creating opportunities to transition that model that exists in the mental health associations and hospitals that do a fantastic job at the end and transition those in the corporate world to provide supports and ongoing healing for each of our staff. So you may say to me, well, why do we need to do that?

It has been documented that every dollar invested in mental health in the corporate world returns a 400 percent rate of return - and that's through productivity and efficiency in our staff. It's been documented that the only way to dramatically increase efficiency and profitability is through the engagement of employees and asking them for the discretionary effort, which means we need healthy employees. It's an opportunity to support society.

We believe that's a critical aspect of the corporate world and corporate responsibility. And I believe it's a competitive advantage. As we move forward with millennials moving into our workforce, the mixture of home and office, and the expectations that come with the next generation, the companies that act with empathy, act in support of their employees and create these types of programs will have a long-term competitive advantage.

So I wanted to share that because as Les said, it is something I'm exceptionally passionate about - both because I believe it is the right thing for a corporation to do long term, in terms of gains in efficiency and profitability, but also because it's the right thing as leaders to start to step into that space and create a safe environment for our staff. Because if leaders don't talk about it and break down those barriers, it will never happen. And I can assure you that, as evidenced by the personal story I shared with you, I do have experience in how those systems work and how difficult it is to actually move through a mental health healing journey when you're in a bad spot.

So, Les, thank you for the opportunity to share that. I love talking about this because it's so important to me. And with that, I'll leave it back to you. Thank you.

Les: Great, thank you, Mark. And really appreciate your personal story as well - it drives the point home when we can put a point on it like that. When the crisis is over and people are in some way, shape or form back to the office, how do we keep that going when things turn around and keep the momentum going? We'll plant that seed for the Q&A here at the end.

Let's move real quick and we're going to get to back to the roots of where this call first started way back nine weeks ago, where it was a number of CHROs sharing about how it is that they're responding to the crisis and what they're learning. One of the most enlightened CHROs on the topic, who's done a lot of research globally on this is Jane Fedoretz from TransAlta. Over to you, Jane to update us on what you've learned and what you're seeing.

Jane Fedoretz: Perfect. Thanks very much. I participated in this call for the last few weeks and one of the things that we've been doing at TransAlta is really trying to build incredible amounts of goodwill with our staff. We have not laid anybody off, and we've done a lot of things from bringing doctors and psychologists to Mark's point about the importance of taking care of people. That has been really, really top of mind for all of the executives in the organization.

About a month ago we started looking at how we're going to get back to office and back to site. If you know anything about TransAlta, you know we're an independent power producer, so we have lots of essential workers on the ground across Canada, U.S. and Western Australia. We've been looking at the work they've done and how they've responded. Up to today, we only have 10 people away from the organization due to just illness not COVID at all. We've been very deliberate about taking care of our people and making sure they're safe. We've spent the last month researching the different jurisdictions that have gone through COVID across the world. That was a mix of HR and my transformation office portfolio that I'm responsible for government relations, legal and just really looking at what were the lessons learned and how can we take that and really build a back to office plan.

The comments that both Kim and Bruce made about bringing people together to work cross functionally, to come up with ideas and look for opportunities is very important here in the back to office and back to site plan, and we really built out four principles. But I just want to briefly share with you as you're grounding yourselves in back to work plans.

It's really ensuring the health, safety, privacy and needs of our employees are addressed on a broad level and that we're prioritizing business needs and staggering our back to office accordingly, adhering to jurisdictional public health guidelines, openly communicating to our employees, remaining agile and adapting to changing conditions as needed, and really working to ensure that our decisions positively impact our company organizational health.

Going to Mark's point about the psychology of caring for I think now that we can look back, hindsight's 20/20, and see that it's easy to send people home to work remotely as hard as that can be for people and as much as that needs to have an adjustment. The hard part is bringing people back to the office in a way that is safe, secure, maintaining the goodwill of the organization, caring for people, dealing with people's anxiety. I think over the course of the last month as we've done this work, what we're realizing is there's so many pieces to this puzzle that need to be considered.

The constant discussion that we've had at the executive level to really hash out is what is this going to mean for people not only bringing back people back but being flexible, realizing that the future of work has likely changed and that has been addressed here. There are a lot of factors that the organization has been grappling with in terms of coming back to the office and really doing it in a way that is agile from all perspectives. Not just agile in terms of a flexible work environment, but the long-term strategy of the organization. Because we do see from the research that we've done that this will take 18 to 36 months, and then how do you continue to be a thriving, growing company with all of those pieces in place? It's early days but we're a month into our planning, and I'm happy to take any questions or just have a follow up as we go forward.

Les: Thank you, Jane. I do want to do some rapid-fire questions with all of you so let's go back first to Kim. Kim, we talked a little bit about the supply chain issues and challenges. Do you see things rapidly or critically evolving when we get back to the other side of COVID? Where are shifts are going to happen, or do you see this is a one-time event, we're going to get through it and we're just going to go back to normal in terms of how the supply chain is structured in the ag sector?

Kim McConnell: I think there will be significant changes - changes in the food system in Canada, and changes in the food system around the world on how we are going to doing things. There's a whole new area we need to look at. The drivers have changed here. There's much more interest in security, much more interest in different forms of suppliers. There are massive changes that are about to take place here and it's going to take some really good thinking. And to go back to Bruce's comments, the boards are going to have to be good here. They're going to have to think and do the strategic stuff here, because it is changing big time. Our political leaders are going to have to change substantially in how we're looking at things. Our trade rules will be changing a whole bunch. And our employees, the impact on all of that as Mark said, on the mental health component, this is a huge, huge component of all of these things. So there will be substantial changes.

Les: Well, that's great, Kim. We'll provide contact info of our panelists afterwards on a select basis for people that have direct questions.

Bruce, you just heard from Kim that boards are going to have to start thinking much more strategically even than they have in the past, but at the same time we're gonna have to pay for all of this. Shareholder concerns and challenges are at the forefront. How do we do that in the immediate term?

Bruce Waterman: Well, it's actually interesting because in the current scenario, in the oil and gas industry we have what I would call a period of forgiveness. When you go back and look at the history of oil and gas to this period, consumption growth was king. Then it got to the point that some production growth, but the return of capital to shareholders was much more important, if you want to attract investors. Right now, I think where investors are, they're trying to separate the oil and gas industry into those who won't survive and those who will. And when they decide those who will, their concentration is not on what's happening right now or next quarter. Their concentration is which companies are best positioned to come out of this crisis and optimize on what they do and recover, i.e. the best position to take advantage of the recovery.

So, when you have scenarios like Shell making the announcement on their dividend, who would have ever thought that would happen? I think the last time they cut their dividend was in WWII. You're talking about investors who recognized that this is an unusual time and to some extent, if your production goes down or you shut-in wells or production, it's not getting anywhere near the reaction that you would have gotten a year ago or two years ago. Investors want to hear your story about how you are going to come through the recovery and where you are going to be as you come out of that recovery. That's the focus right now - it comes down to how you strategically position yourself to take advantage of that, and in the longer term, be competitively advantaged. That's a big focus right now from the management and board perspective, at least in the oil and gas industry. And I'm sure it applies to other industries as well.

Les: Great. Thank you, Bruce. I'm going to ask one more question, because this is an important one. Mark, thank you very much for your courage in sharing your story. What can we do as individuals today if we are seeing mental health challenges with any of our colleagues or counterparts or individuals? What would you recommend that we do today to be able to address the immediate concerns?

Mark Fitzgerald: I think that's a great question. I believe as leaders we have the ability to create the narrative. We can create a safe environment for people to have the conversation. That's the number one thing that we can do. As I talked about, a lot of the statistics that we look at point to the fact that people are scared for their employment, they're scared for promotion, they're scared for their self-esteem and they won't bring these issues forward. So first and foremost, we can make it safe to have the conversations.

Also very quickly, I saw there was an excellent question about to ensure that people trying to help without training don't do harm? At Petronas, we've actually brought in the expertise. We hired an individual who I think is one of the top mental health experts in Canada to guide us from that area of expertise. I can create the environment, I can create the resources, and I can create the safe place, but we need to partner with and hire experts that can deliver the programming because I can't do that.

Les: Right, thank you, Mark. Over the next few weeks, we have a number of really great speakers. We've got the CEO of Landmark Cinemas, the theatre chain, which was shut down. They're trying to figure out how to reopen when, ultimately, social distancing is going to make it difficult for people to sit beside each other in close proximity in a theater. Doug Porter, the Chief Economist from BMO, is going to help us understand how the economy is going to look in the short to medium term; and how as we as corporate and individual tax payers are going to have to pay for all the support and stimulus that governments around the world have been introducing. We've got a number of board members and ultimately next week we're also going to have a real focus on the immediate tactical, now that we're starting to go back to work in certain regions and vicinities. What do we need to be doing in terms of our respective checklists? So, on behalf of my colleagues and counterparts at Caldwell, thank you very much for participating today. Be safe and we'll talk to you next week.



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