

Corporate Sustainability Reporting

Pierre Taillefer
PricewaterhouseCoopers LLP





CORPORATE SUSTAINABILITY REPORTING IN CANADA

CFERF Executive Research Report



FEI and PwC CR Reporting Research

Approach and Methodology

- Executive Research Report between PwC and FEI
- Results of a survey conducted between July 28 and August 12, 2008
- 343 senior financial executives from across Canada
- Supplemented from insights gained from the Executive Research Forum held in Toronto in May 2008 with 19 participants from a range of sectors and a range of sustainability reporting experiences

72% of respondents feel that their company understood which sustainability issues were most relevant to achieving their business goals

65% of financial executives believe there is a link between a company's sustainability "reputation" and market value

78.4% of financial executives believe that the average investor does not have enough information about the sustainability performance of Canadian companies

Only half regarded their organizations as having implemented an effective strategy for managing sustainability issues

Corporate Sustainability Reporting in Canada

- Many respondents are complying with external reporting standards such as the Global Reporting Initiative or the Greenhouse Gas Protocol.
- Companies in the manufacturing sectors (31%) wholesale trade (38.5%) and transportation and warehousing (35.3%) were more likely to adopt an external reporting framework than companies in any other sectors.
- The banking industry was also identified as having made significant inroads in standardized reporting best practices following the introduction of Bill C-8 in 1999/2000 requiring the filing of Public Accountability Statements (PAS)

Corporate Sustainability Reporting in Canada

- Companies also felt challenged in compiling data in a cost-effective manner that would accommodate a broad spectrum of stakeholders, from employees, shareholders, customers, institutional investors, reporting regulators to environmental activist groups.
- Furthermore, companies are concerned with the costs associated with sustainability reporting, specifically for small to medium-sized enterprises (SMEs).

Corporate Sustainability Reporting in Canada

- Many respondents agreed that sustainability programs and their disclosure have to be linked to the corporate strategy of the enterprise in order to be effective.
- Three quarters of the Survey respondents are of the view that legislation relating to reporting and disclosure of sustainability performance will become more stringent over the next 5 years.

Corporate Sustainability Reporting in Canada

- An overwhelming majority (90%) of Canadian senior financial executives consider reporting on the environmental and social impacts of their companies to be important...

However

- *Only half of financial executives surveyed have an effective strategy for managing CSR issues and over half admitted they did not have an effective system and process in place for periodically measuring sustainability performance.*

Sustainability and Corporate Responsibility

Concluding Thoughts

Sustainability:

- must be a part of business strategy
- is applicable to every business regardless of size or industry type
- is not flavor of the month but is here to stay
- brings many tangible and intangible benefits and revenues to a company
- Should be viewed as an business opportunity, not a burden

Thank You

For further information visit PwC's online
sustainability resource at:

www.pwc.com/ca/sustainability