

In Brief*

Sustainability: Leaders create and seize opportunities

Sustainability is becoming an expectation of business. This is how you conduct business of the future. The leaders set the bar for the followers and help determine the regulations that will guide future development.

Challenges

- The concept of sustainability has changed the way businesses operate around the globe. Companies that are prepared and adaptable to the ongoing changes resulting from new regulations and increasing public expectations will have a competitive advantage.
- Sustainability is more than just 'going green'. It's about putting sustainable practices at the core of business and developing strategic goals that incorporate environmental, economic and social considerations.
- Just like financial reporting, reporting on non-financial performance needs to be comprehensive, understandable and timely. Companies must link their non-financial metrics to financial performance and articulate the value of sustainable business practices to stakeholders.

Just as the Information Technology Revolution has transformed the world and the way business is conducted, so too will the concept of sustainability. In fact, the Sustainability Revolution is already proving itself to be as pervasive and transformational as the IT Revolution. Its impact will only intensify as the focus on sustainability grows across governments, societies and businesses, provincially, nationally and internationally. It's not just about regulatory compliance. Heightened public awareness means that a commitment to corporate responsibility is increasingly becoming an expectation. Thinking and acting sustainably is also an important factor in improving cost-efficiencies as well as for recruitment with younger generations. Shifts in technologies and emerging green markets will affect a wide array of industries and markets. And as more and more companies move to embrace sustainability as a part of their corporate strategy and the associated reporting expectations, those that are in a leadership position will have a competitive advantage in attracting strategic alliances and partnerships—as well as customers.

Leading companies understand that sustainability is a critical part of business strategy. But there's a new level of sophisticated change needed by any company that wants to remain at the forefront of the Sustainability Revolution. They have to go beyond compliance and make sustainability an integral part of their decision-making process. They need to invest in infrastructure, systems and training of their people. This integration has to be thorough and well planned with keen attention to all the components necessary for successful implementation. As well, companies need to find ways to report their performance. It's one thing to say it, it's another to demonstrate it with measures and linkages to the financial and

operational performance of a company. Companies need to develop and improve an effective IT system and data management for non-financial reporting. They need high caliber benchmarking and an integrated knowledge of best sustainability reporting practices within their industry or across industries as well as solid performance metrics.

Leading companies understand that by investing in sustainability they will have the agility and ability to seize new business opportunities before their competitors. What's more, the leaders help set the course of the Sustainability Revolution, as they are sought out by government for consultation when developing new regulations and policies.

Why it's time to take leadership in sustainability to the next level

- Sustainability is here to stay and is rapidly evolving. This means that all companies, even those who have been leaders to date, need to quickly adapt or be left behind. Business is in fact well positioned to act as a key player in setting best practices that keep pace with, if not in front of, changes coming from international agreements and growing public awareness.
- Sustainability is increasingly becoming a significant factor in everything from cost-effectiveness and efficiency to public image and retaining a competitive advantage, both in terms of market share and recruitment. Those leading the way are best positioned to take advantage of new opportunities.

Steps to building sustainability into overall business strategy

- Undertake a risk and opportunities assessment with respect to all aspects related to sustainability. Through dialogue with stakeholders, seek to understand what the future may hold in terms of regulations, public opinion and shareholder concerns.
- Identify and measure current state. Use this information as a baseline for future improvements.
- Develop a long-term strategy and determine needs in terms of systems, processes, and skill sets.
- Implement programs consistently across the organization.
- Monitor performance and, where possible, obtain third-party assurance.
- Evaluate and assess performance against ongoing regulatory, business and societal changes.

Benefits

- Tackling sustainability issues and developing core competencies inside your organization is a business benefit in a number of ways, including increased efficiencies which lead to cost savings. A company that has a proven track record when it comes to sustainability is also looked upon favorably by new talent.
- In competitive industries such as energy, companies that embrace sustainability early get a seat at the table when it comes to setting government policy. In fact, the pioneers are viewed by the regulators as a source of information and as allies.
- Corporate responsibility programs and reporting can be brand defining and lead to market differentiation of your products and services.

Obstacles

- Lack of awareness of the risks. Risks associated with sustainability are not always obvious and can require extensive knowledge to fully assess.
- Lack of the necessary detailed knowledge and skills to accurately assess one's current position.
- Sustainability continues to evolve. As a result, companies must stay informed of best practices nationally and internationally.

The PwC Advantage: We know how to build value

Value builders

PwC perspective

Strong relationships with the pioneers on the sustainability stage

“Our strong relationships with pioneering companies have given us knowledge and benchmarks we can use to help those companies still catching up,” says Christine Schuh. “Many of these companies on the leading edge are companies that seek out innovation and new ideas. They are longer term thinkers and they are more proactive. As a result, they see it as a worthwhile investment to bring us in to help strengthen their internal systems and strategy. We have a good track record. We bring strategic value. It’s not about rushing in to do a quick and dirty exercise to meet regulations. It’s more about strengthening the internal competencies of the organization and making them better managers of the issue.”

A holistic approach

“We take a multidisciplinary approach. It’s not an engineer’s approach. It’s not an economist’s approach. It’s not an accountant’s approach. It’s all of those combined,” says Mel Wilson. “Sustainability is fundamentally a multidisciplinary concept. We are taking a more holistic approach to these issues with a core focus on helping clients achieve their business objectives.”

A breadth and depth of experience—nationally and internationally

“We’ve been providing sustainability services to clients for over 20 years,” says Wilson. “We also draw on other areas and regions of PwC,” says Schuh, “We bring the connectivity of the firm to each project and that includes international experience and knowledge.”

Reporting assurance expertise

PwC is one of Canada’s leading providers of sustainability reporting and assurance services. We have helped many of Canada’s largest and most successful companies institute best practices in the area of sustainability reporting.

Our team

PwC has assembled a team with local, national and global hands-on experience in helping our clients build sustainable value. Our clients include industry leaders in corporate social responsibility reporting and adopting sustainable business practices that respond to the challenges and regulatory requirements associated with climate change and other sustainability related issues. We invite you to connect with members of our Sustainable Business Solutions practice to discuss your unique needs:

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