

## Canadian Issuers Understand the Importance of ESG

**Toronto, Ontario** – Investor expectations are evolving and as a result they are placing greater demand on issuers for environmental, social and governance (ESG) related information. According to a new survey released by the Canadian Investor Relations Institute (CIRI) and sponsored by TMX Group, the majority of issuers view ESG factors to be important to the long-term success of their companies. Specifically, these issuers are committed to ESG to enhance their corporate reputation, improve risk management and create long-term shareholder value. This strong commitment has led to evolving ESG practices and disclosure as well as greater engagement with shareholders.

“We are seeing tremendous commitment to ESG from the top, with most issuers having Board or Committee oversight of ESG and a C-suite executive responsible for ESG. This commitment translates into disclosure as most issuers report on ESG publicly, many of which do so annually, and have ongoing ESG-related discussions with investors,” commented Yvette Lokker, President and Chief Executive Officer of CIRI. “IROs are well-positioned to play a critical role in ESG. As the key point of contact with investors and analysts, they hear key questions and concerns first-hand. Bringing this intelligence in house to inform their company’s ESG strategies and external communications is extremely valuable.”

### Key survey findings:

- **Issuers understand that ESG contributes to their company’s success**
  - **ESG is Important to Success:** The majority of respondents (87%) view ESG factors to be very or somewhat important to their company’s long-term success.
  - **Several Key Drivers for ESG Commitment:** Top reasons why issuers are committed to ESG include:
    - to enhance corporate reputation (81%);
    - to improve risk management (73%); and
    - to create long-term shareholder value (68%).
- **There is strong commitment to ESG from the top**
  - **Strong Board Oversight:** The majority of respondents (81%) have Board or committee oversight of ESG.
  - **Executive-level Responsibility:** Three-quarters of respondents (75%) have an executive with overall responsibility for ESG, with the CEO being the most common (31%).
- **ESG disclosure and engagement practices are evolving**
  - **Issuers Appreciate the Importance of ESG Reporting:** Over three quarters of respondents (76%) disclose ESG information to the public with almost half of respondents doing so annually (47%).
  - **Use of ESG Reporting Frameworks Varies:** Most issuers are reporting under the following frameworks in full or in part:
    - Carbon Disclosure Project (CDP) (72%);
    - Global Reporting Initiative (GRI) (71%);
    - Task Force on Climate Related Financial Disclosure (TCFD) (46%);
    - Sustainable Accounting Standards Board (SASB) (46%); and
    - UN Global Compact & Sustainable Development Goals (43%).

- **Issuers and Investors Engage on ESG:** Almost half of respondents (45%) have ongoing dialogue with investors on ESG.

[Click here](#) for the ESG Infographic.

Full survey results are available to CIRI members only. To join CIRI, [click here](#).

### **About the Survey**

CIRI conducted the *IR directions: ESG Practices* survey during the second and third quarters of 2019. Over 60 investor relations professionals took part.

The research objectives were to:

- Thoroughly understand issuer's commitment to ESG;
- Identify current and emerging trends on ESG practices and disclosure;
- Understand how issuers interact with various stakeholders on ESG; and
- Establish a benchmark from which CIRI can conduct subsequent surveys and monitor the evolution of ESG practices and disclosure going forward.

This survey was sponsored by TMX Group.

### **About CIRI**

[CIRI](#) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital markets by advancing the practice of investor relations, the professional competency of its members and the stature of the profession. With close to 500 members and four Chapters across the country, CIRI is the voice of IR in Canada. For further information, please visit [CIRI.org](#).

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