Hey! What's New? 2026-1

Six in 10 Canadian Companies Lag on Sustainability Reporting

New research from PwC Canada reveals a significant gap in sustainability reporting practices as Canadian companies navigate evolving global regulations and market uncertainty. *PwC's 2025 Sustainability Reporting Insights,* which analyzed 76 climate and sustainability disclosure points in the public reports of 250 top Canadian companies, found many organizations are unprepared for a changing sustainability reporting landscape and risk missing opportunities to show how sustainability forms a strategic imperative.

Sarah Marsh, National Sustainability Report and Assurance Leader at PwC Canada, says that "while companies across Canada are integrating sustainability into their business and corporate culture, they are falling behind in reporting. At the same time, reporting standards continue to evolve. Not only could this lead to compliance risks when regulations are implemented, but it can also result in missed opportunities to attract investors, customers and employees who prioritize sustainability. By connecting sustainability and corporate priorities, sustainability moves from being a compliance activity to a value creator — a measure that investors increasingly expect to see."

According to PwC's research, 70% of companies do not disclose the potential financial impacts of their climate-related opportunities. "This is a key practice that can build investor confidence in an organization's long-term strategy and provide transparency about how these opportunities can affect financial performance."

It can also lead to higher revenues. PwC found that 27% of Canadian respondents in the *Annual Global CEO Survey* reported this outcome from their climate-friendly investments.

Meanwhile, PwC learned that not performing materiality assessments (34%) can hinder a company's ability to comply with evolving standards "and, more importantly, it prevents companies from identifying and understanding their material sustainability risks and opportunities that are critical to being able to future proof their business."

Adding to the survey, "companies that do not disclose how they engage with stakeholders (34%), miss the crucial opportunity to gather valuable insights and improve their reporting. Further, 21% of companies fail to describe their governance structure for managing sustainability issues, which is an area of growing importance, given the Competition Act's recent emphasis on the practice."

PwC identified several opportunities to transparently report sustainability progress:

- **Strategy:** "Integrating sustainability into corporate strategy demonstrates an organization's commitment to addressing sustainability-related risks and opportunities specific to their operations."
- **Report Consolidation: "**Consolidating various sustainability-related publications into annual reports helps create consistent messaging, streamline reporting efforts, reduce costs and illustrate how sustainability creates value beyond compliance."

- **Governance:** "Disclosing directors' sustainability-related skills and management's role in assessing and managing sustainability-related risks and opportunities builds accountability and stakeholder confidence."
- **Risk Management:** "Stakeholders, including investors, want to know what material risks and opportunities a company faces and how they are managed. A systematic approach to risk management makes determinations more defensible and transparent."
- **Metrics and Targets:** "Disclosing metrics and targets provides tangible evidence of progress, alignment with strategic goals and effectiveness in managing risks. Setting interim targets, including upstream and downstream impacts in supply chains, helps monitor progress."

To read more about companies' sustainability reporting practices, emerging requirements and takeaways for organizational leaders, access the detailed report at Canadian Sustainability Reporting Insights | PwC Canada.