



The State of Sustainability in 2024

Canadian Sustainability Reporting is at a Turning Point

Teneo Insights / November 2024

 Teneo®

Introduction

While U.S. regulators seem to be easing enforcement on misleading sustainability disclosures—evidenced by the SEC’s recent [disbandment](#) of its ESG enforcement task force—Canadian regulators are becoming more aggressive.

Regulatory scrutiny of “greenwashing” has increased significantly in Canada. What was once an opportunity for Canadian companies to freely promote their ESG progress has now become a growing area of risk, as sustainability reporting faces heightened accountability.

The recent enactment of [Bill C-59](#) has introduced strict regulations regarding environmental claims, granting the Canadian Competition Bureau greater authority and empowering private parties to seek penalties for non-compliance. With 2030 interim emission reduction targets approaching, companies are under increased pressure to review their language and position their sustainability commitments cautiously. In an analysis of 52 TSX 60 listed companies, 6% have paused or removed sustainability reporting while awaiting clearer guidance, and 35% have reported ESG goals that are either off-track or repositioned.

Despite these changes, sustainability reporting remains robust, with most companies adhering to global reporting frameworks, including Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI). Trends show shifts in terminology, with “sustainability” increasingly replacing “ESG” in reports and a growing focus on external assurance for ESG data, particularly regarding environmental information. The content of sustainability reports has expanded to address companies’ most critical material issues. Notably, over one-third of the companies reviewed now use reports to highlight their policies on the responsible use of AI.

With several overlapping events set to influence how companies communicate their sustainability efforts, 2025 will be a pivotal year for Canadian sustainability reporting. The possibility of an earlier-than-anticipated federal election, where maintaining Canada’s carbon tax is on the ballot, the enforcement of Bill C-59 and the proposed launch of the [Canadian Sustainability Disclosure Standards \(CSDS\)](#) will greatly influence how companies manage their sustainability reporting.

To help companies prepare for the complex and changing environment, Teneo is publishing its first-ever look at the “State of Canadian Sustainability Reports,” analyzing 52 TSX 60 listed companies. In this report, we provide (i) an overview of our methodology; (ii) our top 10 key takeaways; and (iii) 25 key data points from our analysis of 2024 Sustainability Reports. A previous report in Teneo’s 2024 State of Sustainability Series provides a similar analysis on [U.S. Sustainability Reports](#) and the key issues for businesses issuing sustainability reporting today.



Study Methodology

We analyzed over 80% of the sustainability reports from companies on the TSX 60 (“2024 Sustainability Reports”). For the purposes of this report, all references to 2024 Sustainability Reports refer to any annual ESG disclosure report, regardless of its naming convention.

Figure 1: Market Cap of Companies Reviewed (CAD)

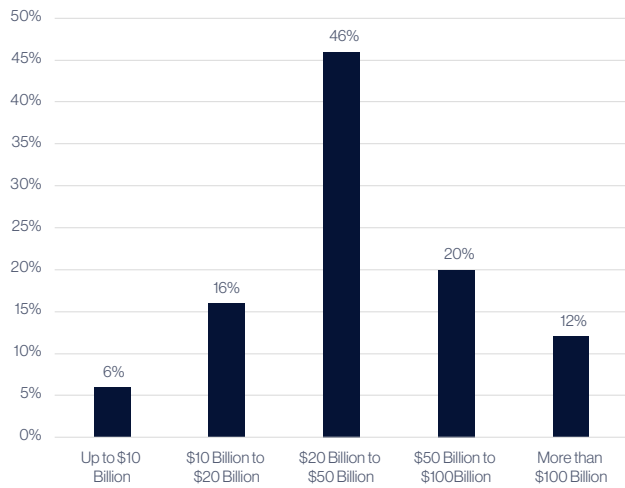


Figure 2: Sector Breakdown of Companies Reviewed in the TSX 60

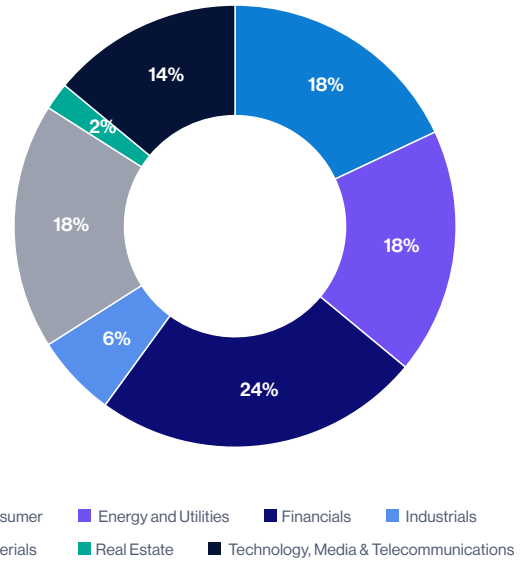
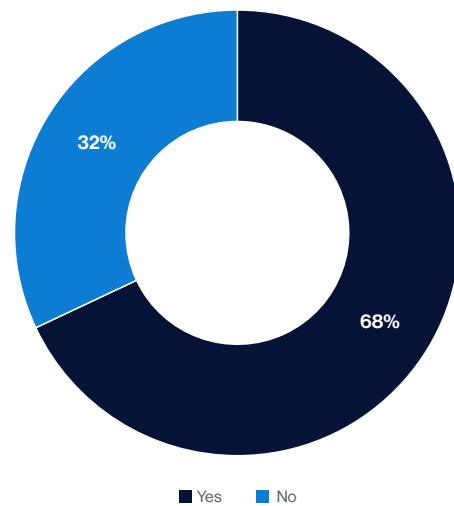


Figure 3: % Companies Reviewed that are Dual Listed in the TSX 60



In addition, 20% of the companies reviewed have a dual-class share structure.

Key Takeaways From 2024 Sustainability Reports



Bill C-59 brings tougher scrutiny on green claims.

With [Bill C-59](#) now law—enforcing stringent requirements for environmental claims and strengthening the Competition Bureau’s authority and private parties’ ability to seek significant penalties—companies must review all current and planned environmental communications. While the full impact of the new legislation is still unknown, companies should anticipate new challenges for the 2025 reporting cycle. With a Canadian federal election on the horizon, it remains to be seen whether the legislation will survive in its current form over the long term.



Sustainability reporting paused pending regulatory clarity.

Four companies on the TSX 60 have issued disclaimers and temporarily removed sustainability reporting content from their websites, social media and other public communications while awaiting clarity from Canada’s Competition Bureau.



Canadian Sustainability Standards Board (CSSSB) set to shape future of Canadian sustainability reporting.

The CSSSB is currently referenced in only 14% of reports. However, after the CSSSB’s first two [CSDS](#) are finalized and become voluntarily effective on or after January 1, 2025, these standards will serve as influential references for regulators deciding on mandatory rules for sustainability-related disclosure.



Companies are committing to net zero by 2050.

Seventy percent of reviewed companies have set net zero commitments by 2050, in line with the global commitments made in the Paris Agreement. Additionally, 66% have set interim reduction targets for 2030. On average, those with 2030 interim targets aim for a 42% reduction in absolute emissions and a 38% reduction in emissions intensity.



ESG goals are under review. Progress on the reviewed companies’ sustainability goals is actively being measured but is also undergoing re-evaluation. Among the reviewed companies, 35% indicated that at least one ESG goal was either “off-track” or “repositioned.”



SASB, TCFD and GRI lead the charge. The vast majority of 2024 Sustainability Reports reported against SASB (93%), TCFD (88%) and GRI (87%) frameworks—followed by UN SDGs (68%).



07

Sustainability reports are expanding. The average length of 2024 Sustainability Reports rose to 95 pages, a three-page increase compared to 2023. The total length of reports varied significantly, with the longest report being 228 pages and the shortest being 22 pages.



08

Reporting language is shifting from “ESG” to “Sustainability.” Nearly half of all 2024 Sustainability Reports used “Sustainability” in the title, a 6% year-over-year increase, while “ESG” usage dropped by 8%. Across all reports, total references to “ESG” declined by 17% on average from 2023.



09

Obtaining external assurance is becoming common practice. Most companies (71%) obtained external assurance for at least one ESG data point, with 62% covering environmental data only. KPMG was the most selected auditor, providing external assurance for 29% of the reviewed reports.



10

Materiality assessments are on the rise. Most companies (80%) conducted an ESG materiality assessment, with 54% having done so within the past two years. While single materiality assessments remain the most common, 28% of companies have adopted a double materiality approach—reporting on both impact materiality and financial materiality—[a figure slightly higher than in the U.S.](#)

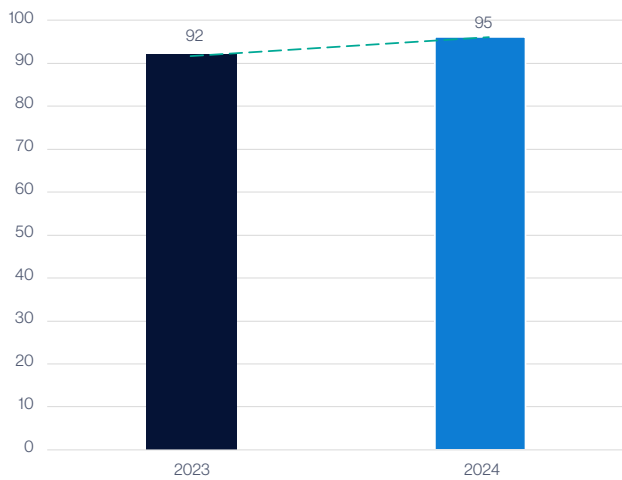
Conclusion

Canada’s sustainability reporting is at a turning point. In 2025, with the likely enforcement of Bill C-59, a potential federal election and the launch of the CSDS, companies will face a more complex regulatory landscape. To navigate these uncertainties, businesses must closely monitor political, social and regulatory developments and be prepared to adjust quickly. Those that do will be well-positioned to manage emerging risks, meet stakeholder expectations and communicate effectively.

Key Statistics of 2024 Sustainability Reports

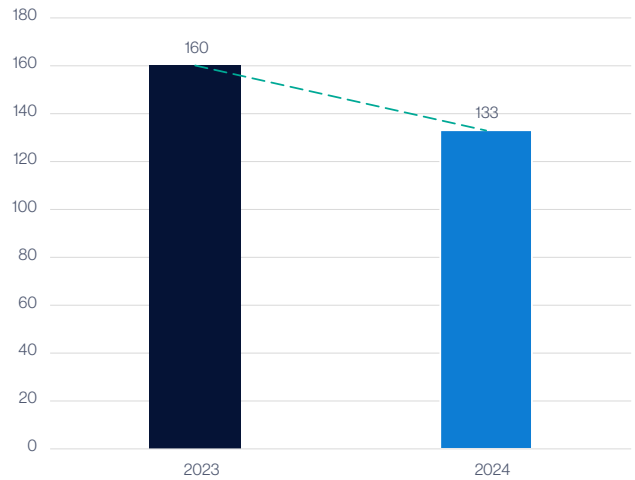
I. 2024 Sustainability Report Communications Characteristics

Figure 4: Average Length of Sustainability Reports (2023-2024)



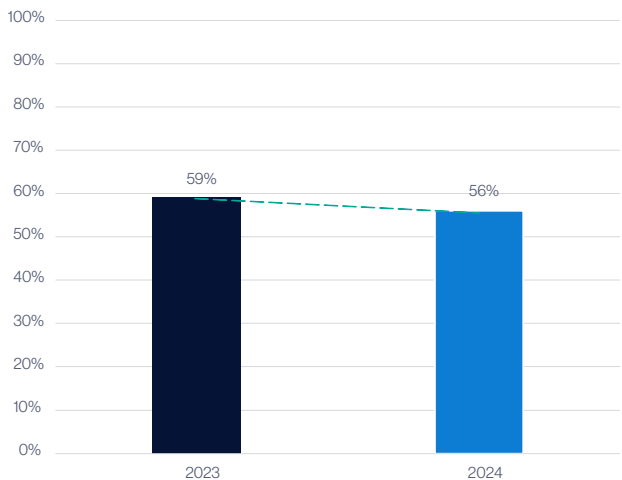
Sustainability reports are becoming longer, with an average length of 95 pages. In 2024, the average report length increased by three pages compared to 2023.

Figure 5: Average Total ESG Mentions Per Report (2023-2024)



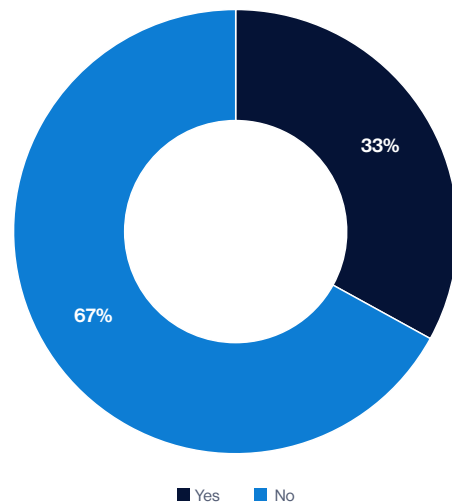
The average number of "ESG" mentions per report decreased by 17%, highlighting a shift in terminology away from "ESG."

Figure 6: Issued Press Release with Sustainability Report (2023-2024)



Although slightly lower in 2024 compared to 2023, over half of the reviewed companies issued a press release announcing their 2024 Sustainability Report.

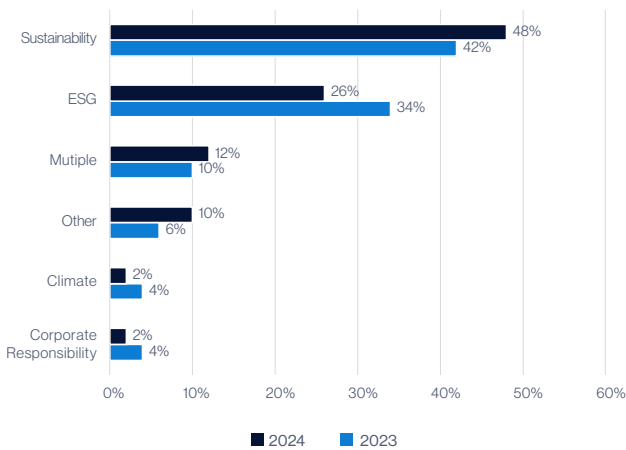
Figure 7: Included Tag Line in Title of 2024 Sustainability Report (2024)



Most of the companies reviewed did not include a tagline in the titles of their 2024 Sustainability Reports.

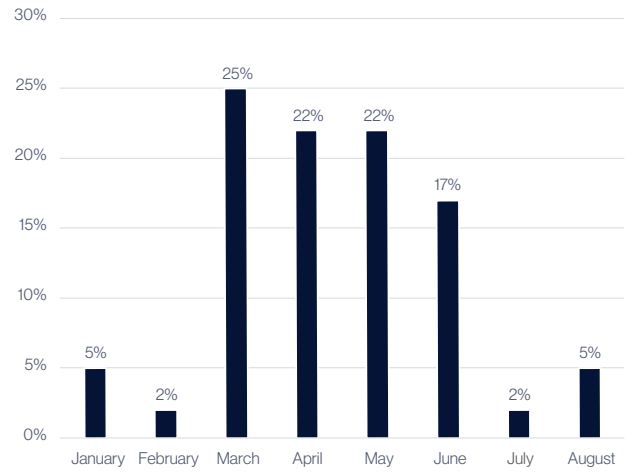
Key Statistics of 2024 Sustainability Reports

Figure 8: Keywords in 2024 Sustainability Report Titles (2023-2024)



Sustainability remained the top keyword in 2024, increasing by 6%, while 8% of companies removed "ESG" from their report titles between 2023 and 2024.

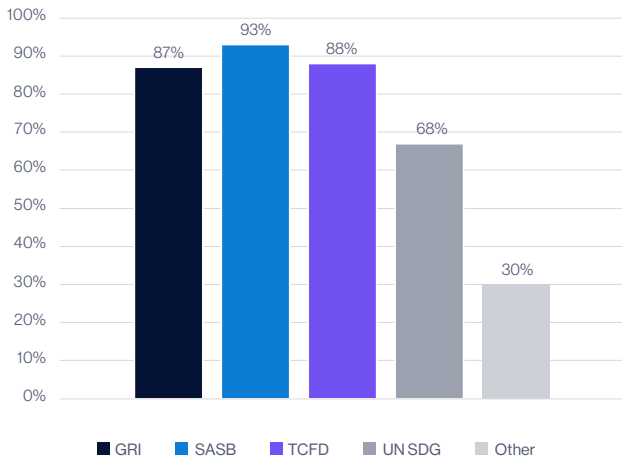
Figure 9: Publication Dates of 2024 Sustainability Reports



March through June were the most common months for the publication of 2024 Sustainability Reports.

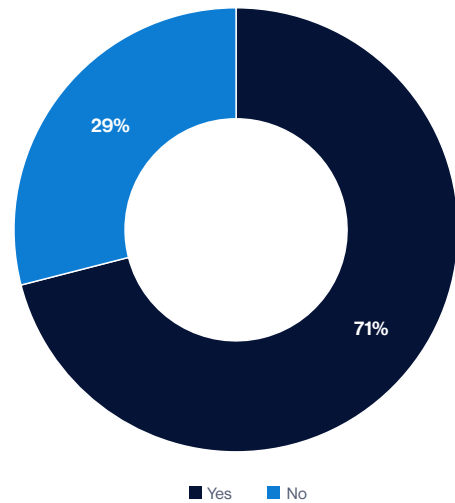
II. 2024 Sustainability Report Content Characteristics

Figure 10: ESG Disclosure Frameworks Included in 2024 Sustainability Reports



SASB (93%), TCFD (88%) and GRI (87%) are the most common disclosure frameworks, followed by the UN SDGs (68%).

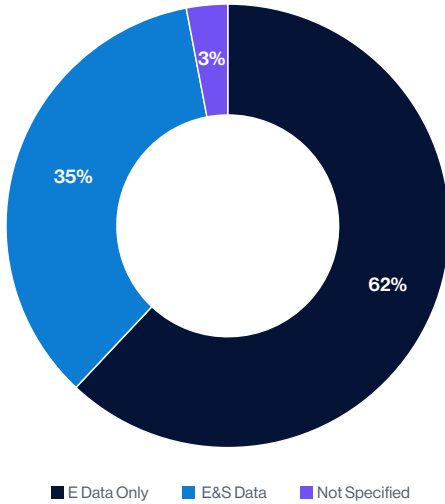
Figure 11: External Assurance Provided Within 2024 Sustainability Reports



The majority of reviewed companies obtained external assurance for at least one ESG data point, primarily for environmental data only.

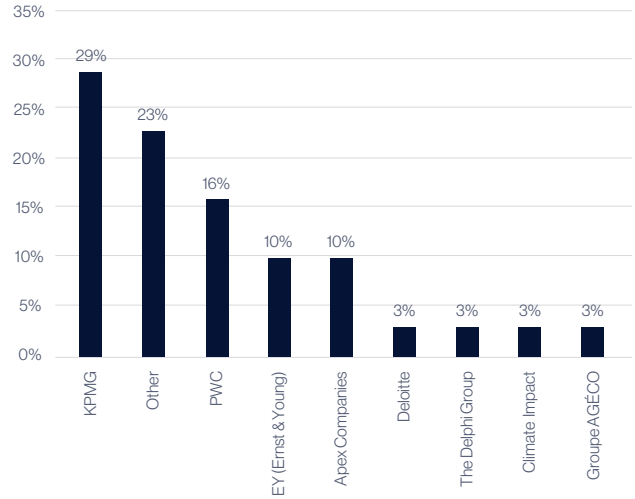
Key Statistics of 2024 Sustainability Reports

Figure 12: Type of ESG Data Assured (2024)



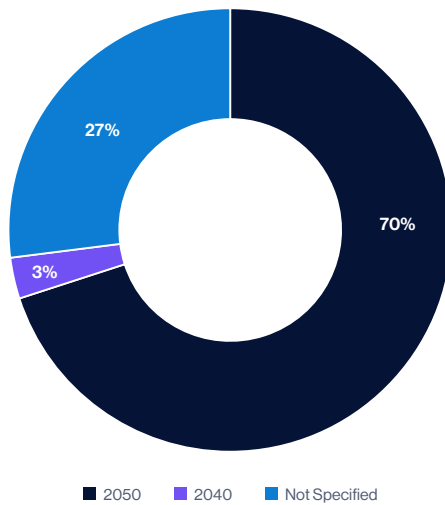
Among the companies that obtained external assurance, 89% received limited assurance, while only 6% received reasonable assurance.

Figure 13: External Assurance Providers (2024)



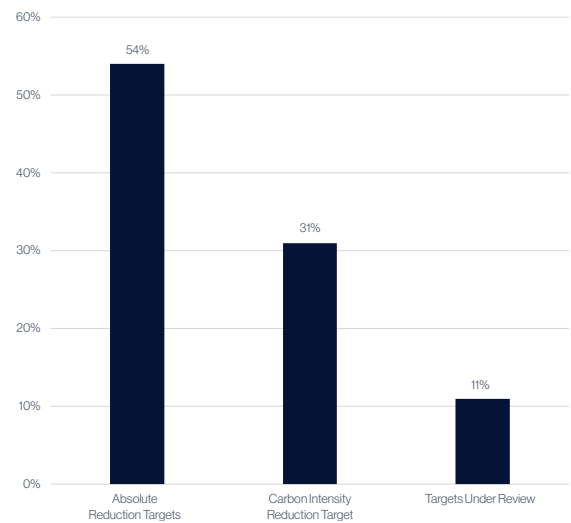
In 2024, KPMG was the most commonly selected auditor for providing external assurance among the reviewed companies.

Figure 14: Long-Term Environmental Targets of Companies Reviewed (2024)



Two-thirds of companies with net zero commitments have set interim reduction targets for 2030.

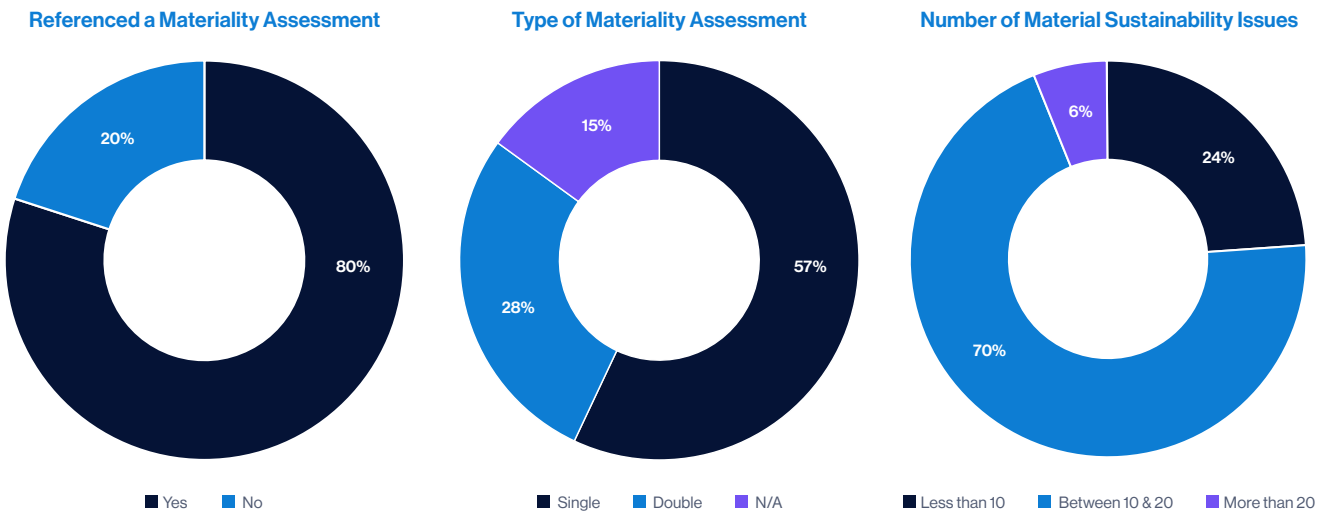
Figure 15: Interim Environmental Targets of Companies Reviewed (2024)



On average, companies with 2030 interim targets aim for a 42% reduction in absolute emissions and a 38% reduction in emissions intensity.

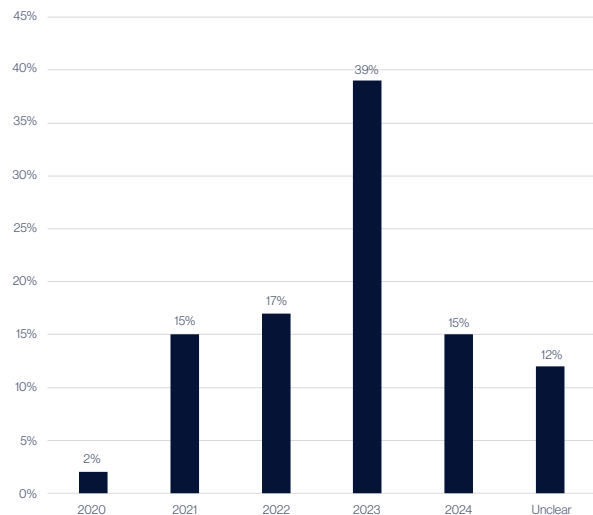
Key Statistics of 2024 Sustainability Reports

Figure 16: Materiality Assessment Characteristics of 2024 Sustainability Reports



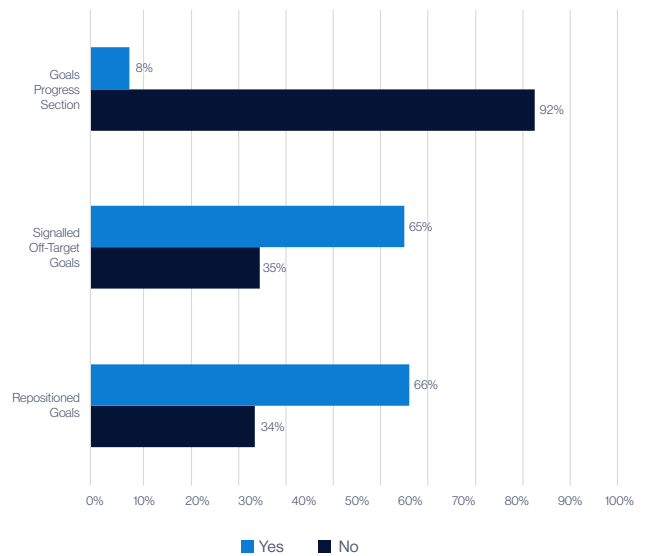
Of the companies that conducted a materiality assessment, 69% included a materiality matrix in their reports.

Figure 17: Date of Last Materiality Assessment (2024)



Among companies who disclosed dates of their materiality assessments, 54% conducted one within the past two years.

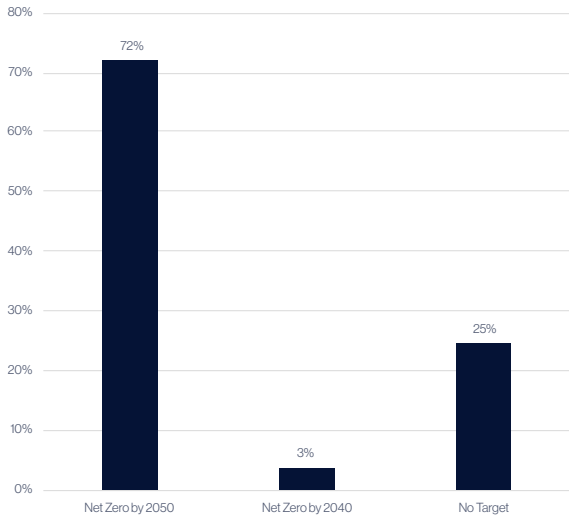
Figure 18: Companies Goal Setting & Disclosure (2024)



35% of reviewed companies indicated that at least one ESG goal was either "off-track" or "repositioned."

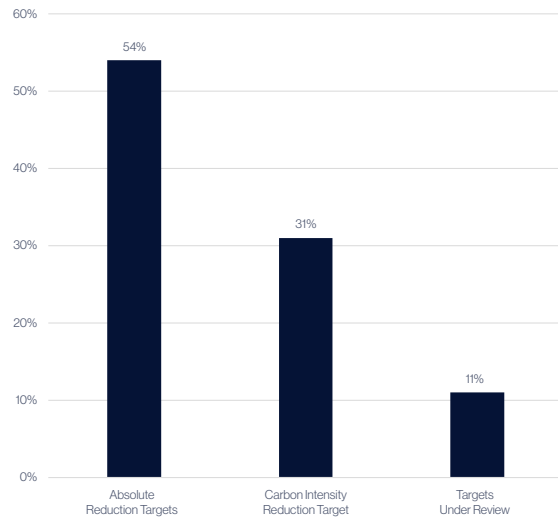
Key Statistics of 2024 Sustainability Reports

Figure 19: Companies Long-Term Environmental Targets (2050)



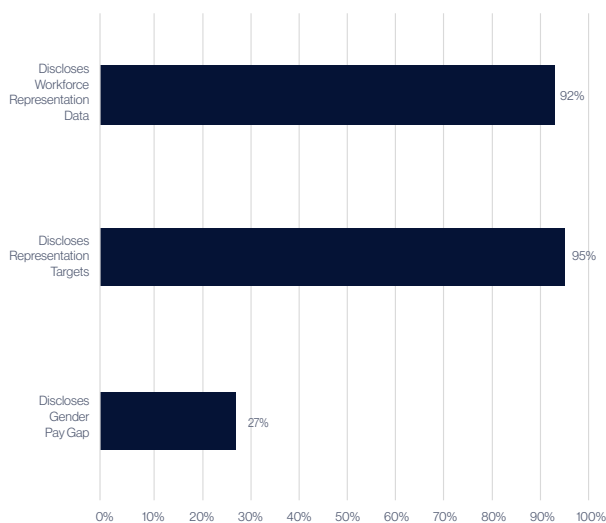
The majority of reviewed companies have set targets in alignment with the Paris Agreement's commitment to achieving net zero emissions by 2050.

Figure 20: Companies Interim Environmental Targets (2030)



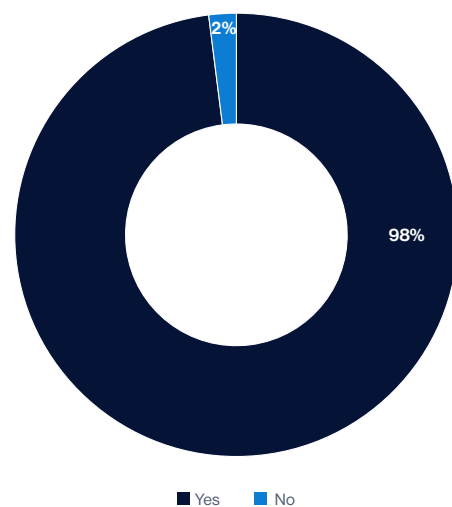
The reviewed companies with interim 2030 targets have committed to an average reduction of 42% in absolute emissions and 38% in emissions intensity.

Figure 21: Social Data Disclosure (2024)



Nearly all reviewed companies measure social data and disclose representation targets. However, while gender pay gaps are frequently mentioned, fewer than one-third of the companies disclose them.

Figure 22: % of Sustainability Reports Using "DEI" Language

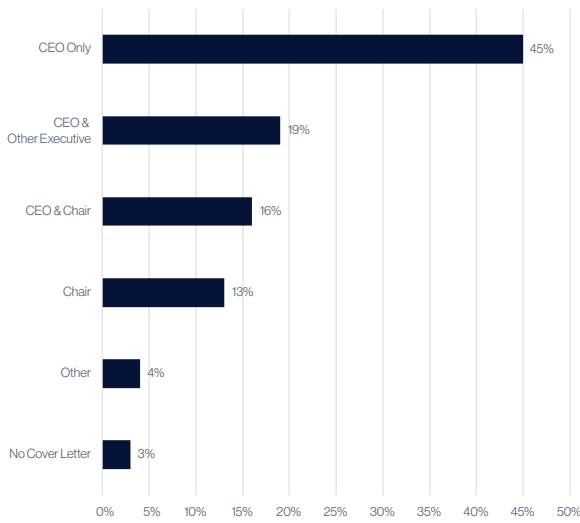


Nearly all reviewed companies use variations of Diversity, Equity and Inclusion (DEI, DE&I or EDI) language to describe their social progress and goals.

Key Statistics of 2024 Sustainability Reports

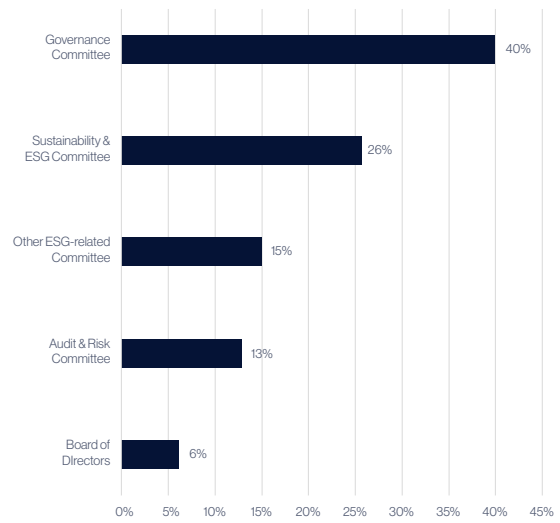
III. 2024 Sustainability Report Governance Characteristics

Figure 23: Sustainability Report Cover Letter Signatory (2024)



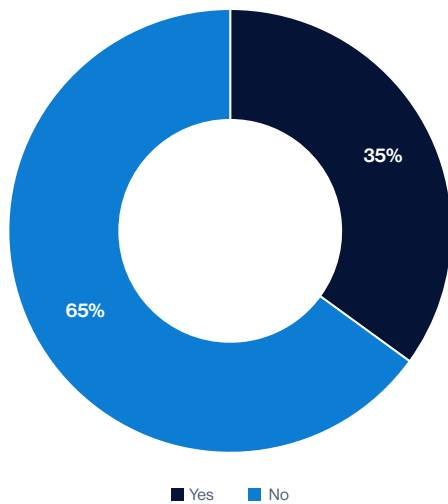
CEOs are the signatory on 80% of all reviewed 2024 Sustainability Report cover letters.

Figure 24: Board Committee with Primary ESG Oversight Responsibilities (2024)



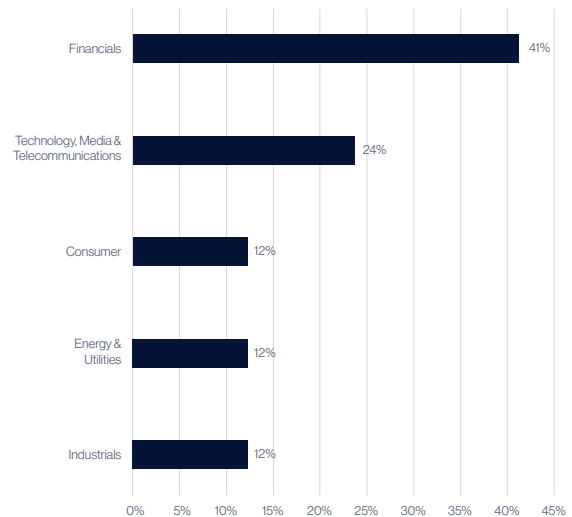
Among the reviewed companies, Governance (40%) and Sustainability/ESG Committees (26%) are most frequently responsible for ESG oversight.

Figure 25a: % of Surveyed Companies Referencing Responsible Use of AI



Among the companies surveyed, 35% discuss their policy on the responsible use of AI. These policies are evenly distributed across Canadian sectors, with financial services leading at 35%, followed by technology-oriented sectors.

Figure 25b: % of Companies Discussing Responsible Use of AI by Sector



Authors



John Crean
Senior Managing Director
john.crean@teneo.com



Lauren Ramey
Managing Director
lauren.ramey@teneo.com



Sasha Devine
Consultant
sasha.devine@teneo.com



Teneo is the global CEO advisory firm.

We partner with our clients globally to do great things for a better future.

Drawing upon our global team and expansive network of senior advisors, we provide advisory services across our five business segments on a stand-alone or fully integrated basis to help our clients solve complex business challenges. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.

Our full range of advisory services includes strategic communications, investor relations, financial transactions and restructuring, management consulting, physical and cyber risk, organizational design, board and executive search, geopolitics and government affairs, corporate governance, ESG and DE&I.

The firm has more than 1,600 employees located in 40+ offices around the world.

teneo.com