Assessing ESG and SDG Maturity of Canadian UN Global Compact Network Participants

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1. Executive Summary

This project assessed the disclosures and engagement of UN Global Compact Network Canada members. The goal was to understand member strengths, identify common gaps, and provide actionable recommendations to inform future programming, events, and engagement opportunities.

Over 200 members, spanning 35+ industries, were evaluated using their Communication on Progress (CoP) submissions, sustainability reports, and company webpage. An ESG Maturity Score (1–5 scale) was assigned to each organization, measuring the quality, comprehensiveness, and forward-looking nature of their disclosures. The analysis also reviewed alignment with the Sustainable Development Goals (SDGs), sustainability reporting frameworks, anti-corruption practices, and priority business focus areas.

The average ESG Maturity Score across the network was 2.47, with large companies having consistently higher scores than small and medium enterprises (SMEs). Industry differences were notable: mining and financial services scored highest due to regulatory pressures and investor expectations, while diversified services, software SMEs, and support services trailed behind. New joiners scored significantly lower than long-standing members, reflecting differences in experience and resources.

Key trends emerged in SDG engagement. The SDGs that were most reported on in company disclosures were SDG 13 (Climate Action), SDG 5 (Gender Equality), SDG 8 (Decent Work), and SDG 12 (Responsible Consumption). The least addressed were SDG 14 (Life Below Water), SDG 2 (Zero Hunger), SDG 1 (No Poverty), and SDG 6 (Clean Water), reflecting sector-specific relevance. Reporting frameworks such as TCFD, GRI, and SASB were the most widely used, with some members monitoring Canada’s new CSSB standards. While 43 companies reported using third-party verification for parts of their ESG disclosures, external assurance remains underutilized.

Anti-corruption practices were generally consistent across industries, with most companies having Codes of Conduct, training programs, and whistleblower mechanisms. However, gaps remain in collective action initiatives, external auditing, and policy comprehensiveness.

Across the network, the most common business interests were Climate Change, Governance, Labour & Decent Work, and SDG Integration. Less common focus areas, such as Ocean Stewardship, Sustainable Finance, Gender Equality, and Human Rights, represent potential opportunities for targeted programming.

Recommendations include developing **industry-specific programming**, fostering **collective action coalitions**, encouraging adoption of **B Corp certification, SBTi targets, and CDP disclosure**, and addressing **emerging risks** such as greenwashing in light of new Canadian regulations. The findings emphasize that while ESG maturity varies widely, targeted engagement can accelerate progress across the network, positioning UN Global Compact Network Canada as a catalyst for deeper sustainability integration.

2. Introduction

The UN Global Compact functions to promote sustainable businesses and empower them to enable socially responsible policies. It is the world's largest voluntary corporate sustainability initiative in which companies across 167 countries join a "network" in their country of origin. They align companies based on Ten Principles in the areas of human rights, labour, the environment, and anti-corruption.

The Canadian Network, referred to as Network Canada, specifically has over 200 members, about half of which joined in the last 2 years. The members are across many different industries, with the most common ones being mining, financial services, transportation, & support, software and computer services. Though larger companies tend to be subject to sustainability regulations more so than smaller companies and tend to be more mature, small or medium enterprises (SMEs) make up about 55% of the Network Canada's membership. This is because more companies are starting to see the value of following and getting ahead of ESG regulations beyond a compliance standpoint (i.e. financial, societal impact lens).

The purpose of the research conducted is to understand the relationship between companies' business priorities as they relate to their sustainability goals which will ultimately support the development of future programmes, events, and engagement opportunities. The disclosures cover their compliance with sustainable development goals, DEI, corporate governance practices, carbon emissions, and much more. The data collected will help identify areas of strength and improvement to help Network Canada focus on programming that helps members further their impact in society, and ensure members feel supported in their ESG journey.

3. Methodology

In order to navigate the findings of the report, the Business Interests Data Collection Sheet can be used to find each company's disclosures in regards to CoP submission and topics covered according to the 10 Principles, areas of interest according to published sustainability report and/or ESG webpage, sustainability regulatory frameworks followed, 3rd party audits, and Sustainalytics rating. It can be filtered for each topic to find organizations that cover or are missing specific topics. This report analyzes the findings, with visual representations and explanations of the data collected as well as implications for UN Global Compact Network Canada programming. The slide deck that was presented to the Programmes team on August 20th, 2025, summarizes the findings in this report in a presentation format which can be effective for sharing with participants or other stakeholders.

The three main sources for gathering a company's data are their sustainability or ESG page from their website, their most recent publicly released sustainability report, and the yearly CoP that they are required to submit as part of their annual commitment to the Global Compact membership.

Data was collected via a Google Survey prepared by the Network Canada team containing a list of questions with both checkboxes and qualitative written inputs. For the CoP, there is a checklist of topics under each of the four pillars to see whether it is assessed by the company. There is also a section to describe the organization's Anti-Corruption practices to cover any gaps not included in the previous question. For many companies that joined in the past year, they have either not published their CoP or it has not been published publicly, and this part of the data collection was omitted.

Next, the company website is checked for a public sustainability/ESG report for the next portion. If there is no recent report, there is often a sustainability/ESG page on the website. It will likely not be nearly as detailed as a full-fledged report, but it may contain information on their goals, SDG compliance, or important ESG metrics. This portion collects data on the organization's SDGs, commitment to Forward Faster Targets, sustainability regulations (i.e. GRI, SASB), third-party audits, and general comments on their ESG disclosures and maturity.

The CoP Visualization Tool, which was developed by the UN Global Compact, is a flexible tool that can be utilized to analyze the differences in CoP disclosures between organizations, maturity levels, as well as regional comparisons on a national or international level.. It provides visual graphs that allows every topic within the CoP across the 4 topic areas to be investigated. For the purpose of this research project, this tool was used to get nationwide insights within Canada, as well as comparing industries and maturity levels between SMEs and larger companies.

ESG Maturity outlines how thorough a company's ESG disclosures are, on a scale of 1-5. A score of 1 would mean they do the bare minimum or display a lack of understanding of ESG issues as well as missing important topics (i.e. Anti Corruption or tracking of carbon emission) in their report or website. A score of 5 would indicate that a company not only discloses on topics that are salient for the respective industry, but they go above and beyond to show how ESG is a core part of the company's business strategy (i.e. through mention of upcoming ESG regulations like CSRD or CSSB, double materiality, thorough future plan, third-party audits). A score between 2-4 would include some or all of the following: considerable year-over-year quantitative data, an easy-to-navigate report with a variety of visuals to communicate different types of data, mention of relevant ESG standards/frameworks, qualitative descriptions of ESG initiatives without too much text, and detailing their strategy for the future.

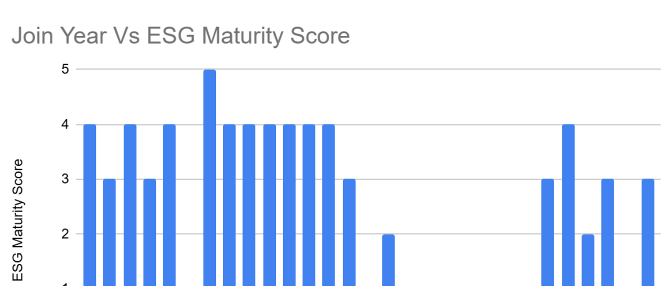
ESG Maturity Score	Explanation
1	No published report, brief information about sustainability on website (if any)
2	Brief sustainability report (<30 pages) that does not cover many important topics, focusing more on qualitative measures

3	Sustainability report covers material ESG topics and has some quantitative data but could benefit from better organization and quality, may be missing key standards/frameworks or lack a robust future strategy
4	Sustainability report is easy-to-navigate, has strong visual representation of data, mentions relevant ESG standards/frameworks, and shows some future orientation, and is just the right length (between 50-100 pages depending on amount of salient topics)
5	Goes above and beyond to include aspects like an integrated report, double materiality, and a true understanding and adoption of ESG in company strategy among comprehensive reporting on many topics

There is often a clear difference in disclosures between large and small/medium companies, as well as across industries. The average ESG Maturity scores of various industries are calculated, as well as comparing their respective company vs SME scores using histograms. Thematic analyses are carried out for the most populated industries to determine the most common areas of interest, SDGs, industry specific topics, and Anti-Corruption themes. Some other analyses include comparing Sustainalytics scores with ESG Maturity and looking at the maturity of new joiners versus veterans.

4. ESG Maturity Assessment

The overall average ESG Maturity Score for Network Canada members is 2.47. However, this is more indicative of the wide disparity between companies and industries. For example, when looking at the 15 oldest joiners versus the most recent joiners, their scores averaged 3.64 and 1.73 respectively, as shown in the graph below. Two-thirds of the newest joiners are SMEs, while two-thirds of the oldest joiners are larger companies, displaying how smaller companies are increasingly prioritizing ESG. The older companies had many years to refine their reporting processes and disclosures (even if their industry is less ESG-mature), while many of the new joiners are SMEs who may not have the processes or staff in place for high-quality disclosures. Many of the newer companies are in industries such as support services or are software startups, where ESG is still a nascent concept.



The average SME Maturity Score is 1.90, while the average Large Company Maturity Score is 3.07, which is more than a 1 point difference. This is likely due in part to the scale of operations and resources for large companies, which allows them to track more data and report on it with greater quality. Larger companies are also subject to sustainability regulations which drives them to disclose, as well as many ESG topics being material to them more so than smaller companies.

More than 60 of the companies had a Sustainalytics Score, which measures how well the organization manages its ESG risks, giving investors an understanding of long-term performance and value beyond financial metrics. They are given a score of Severe, High, Medium, Low, or Negligible Risk, from worst to best. This is determined through a detailed methodology of assessing a company's exposure to material ESG risks, which ones are unmanageable versus manageable, and the organization's ability to address these risks. While ESG Maturity measures how well a company discloses on ESG topics, Sustainalytics measures whether or not those disclosures allow them to manage risks effectively - essentially, effort versus outcome. From the companies with a score, 51 of them (or nearly 80%) are Companies as opposed to the 15 SMEs. The question was whether or not a stronger Sustainalytics score correlated to higher ESG Maturity. Companies with lower risk ratings (either Low or Negligible) received an average score of 3.71, while higher risk ratings (either High or Severe) have an average score of 3.57. There is no remarkable difference noted. To make sense of this, many mining companies are quite ESG mature as they collect data across many ESG topics and produce high-quality reports, but that does not mean the findings from these disclosures lead to climate-positive outcomes (many of them are High or Severe Risk).

The most common industries, with more than 5 companies each, are:

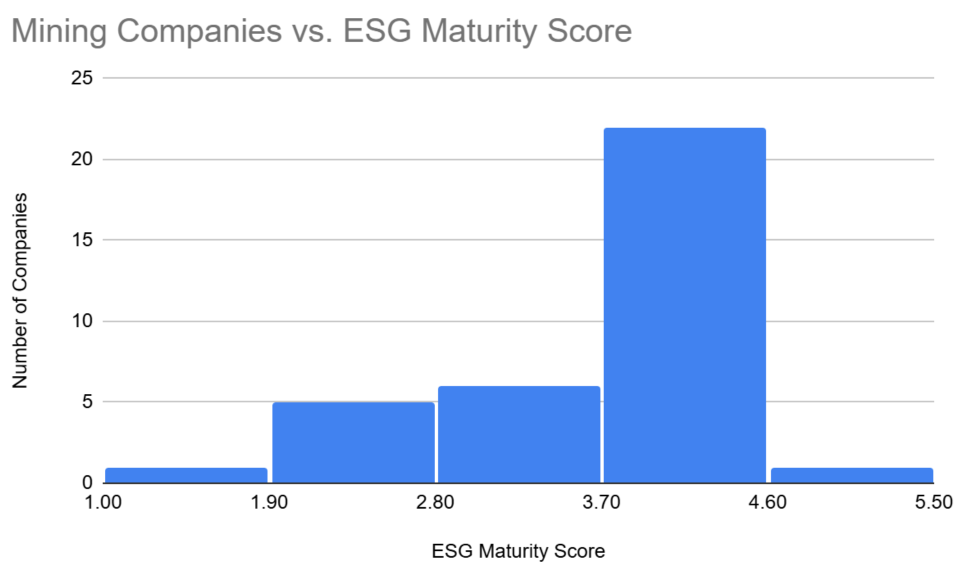
- Mining,
- Diversified,
- Support Services,
- Software and Computer Services,
- Alternative Energy,
- Personal Goods,
- Electronic and
- Electrical Equipment,
- Construction and Materials, and
- Industrial Transportation.

From these, the most common ones were thematically analyzed and compared against one another to show contrasts between industries.

Industry	Number of Companies	Average ESG Maturity
Mining	35	3.49
Diversified	30	1.60

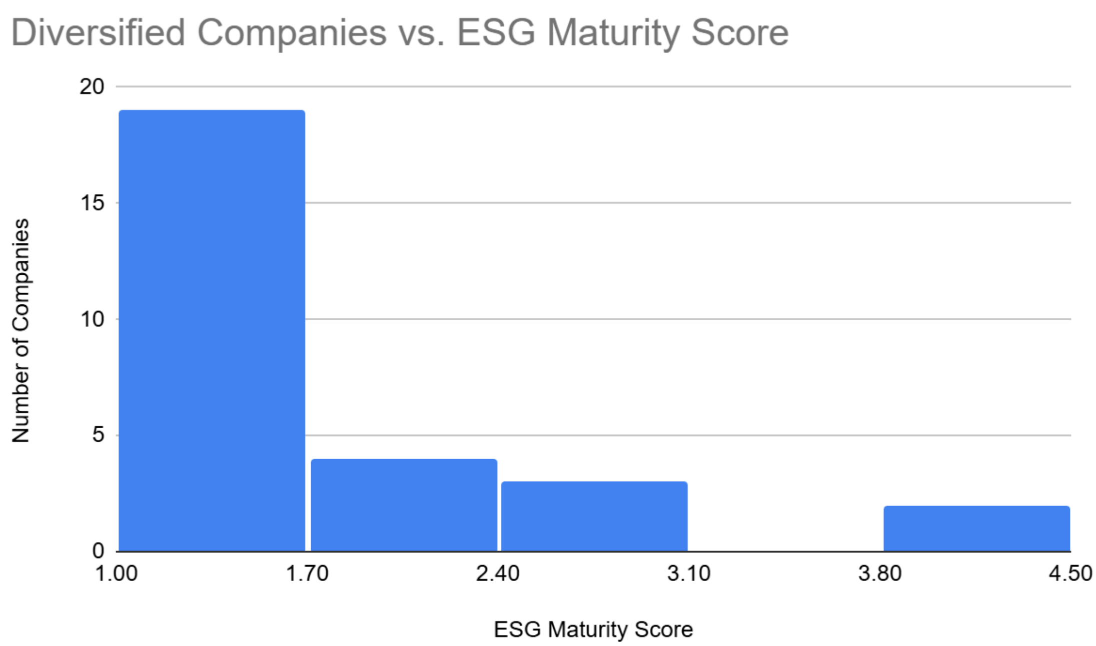
Software	22	2.18
Support Services	19	2.11
Transportation	10	2.70
Financial	9	3.11
Construction	8	2.63

Mining



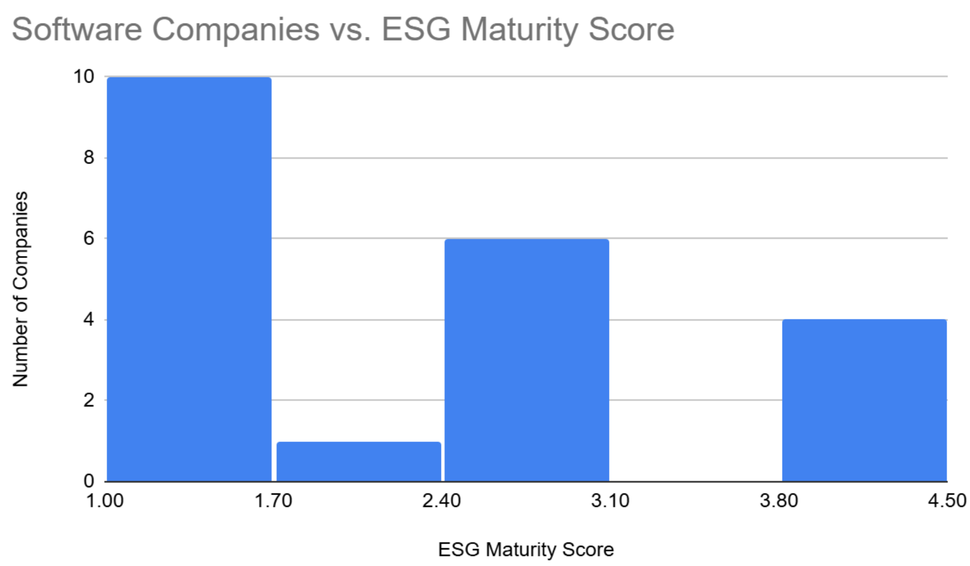
Mining companies, being one of the most polluting industries, displays a high average ESG Maturity Score of 3.49. 22 are SMEs and 15 are large companies, with no notable difference in scoring between the two categories. Since they are under particular public scrutiny due to the environmental and social harm they are likely to cause, many organizations have doubled down on their efforts more than other industries. An example is Orla Mining (SME), which scored a score of 5 for not only including all relevant topics and data in its latest ESG report, but has displayed an explicit commitment to the wellness of future generations.

Diversified

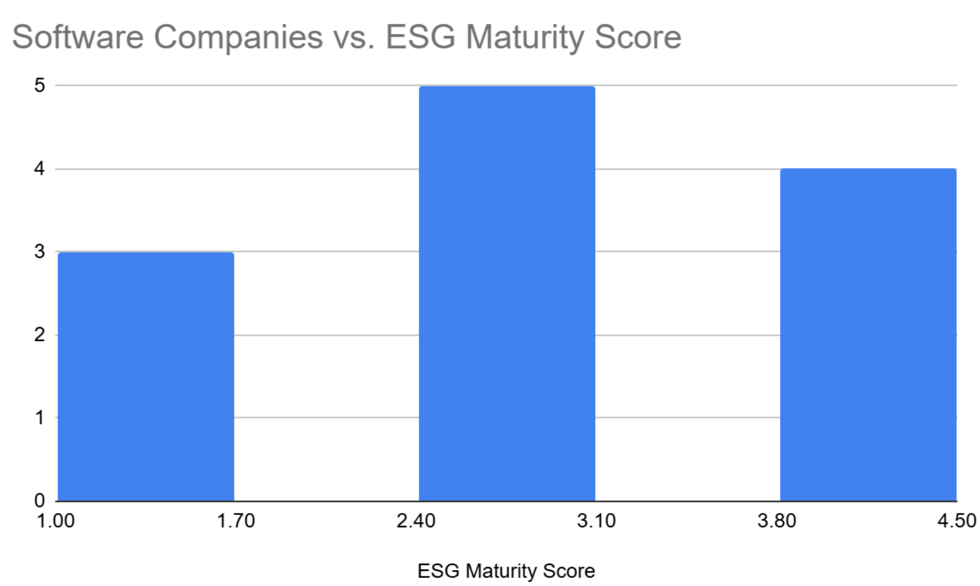


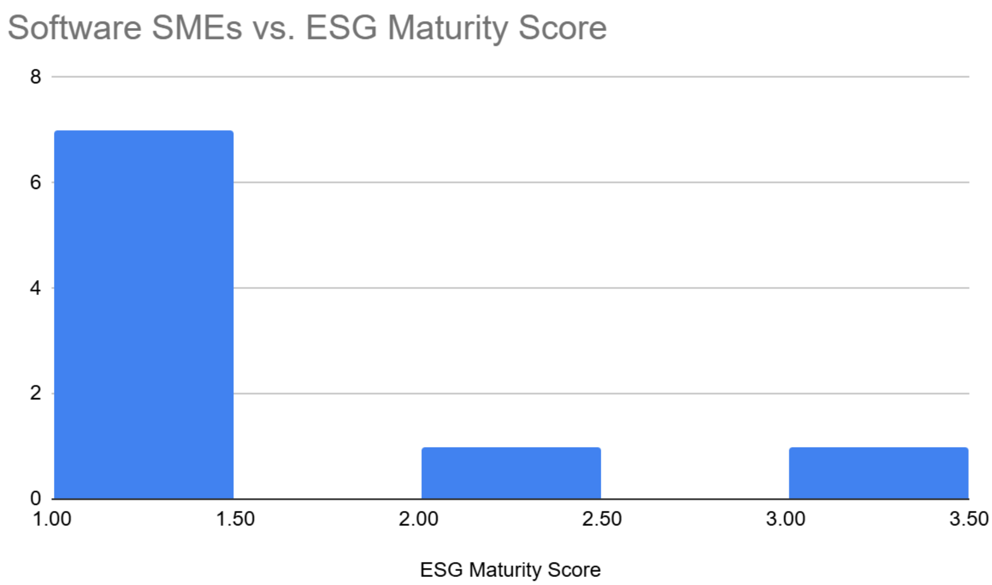
The average ESG Maturity Score of Diversified organizations is 1.6. Diversified mainly describes companies that perform services across multiple industries, more specifically covering Professional Consulting, Procurement, Distribution and Supply Chain Services. Since their work is mostly with clients and is very cross-functional, they are often not tracking internal ESG metrics, even though many of them are assisting their clients in this area- such as CRUX International, which offers sustainability advisory services despite scoring a 2 in ESG Maturity due to placing less emphasis on internal tracking of ESG.

Software



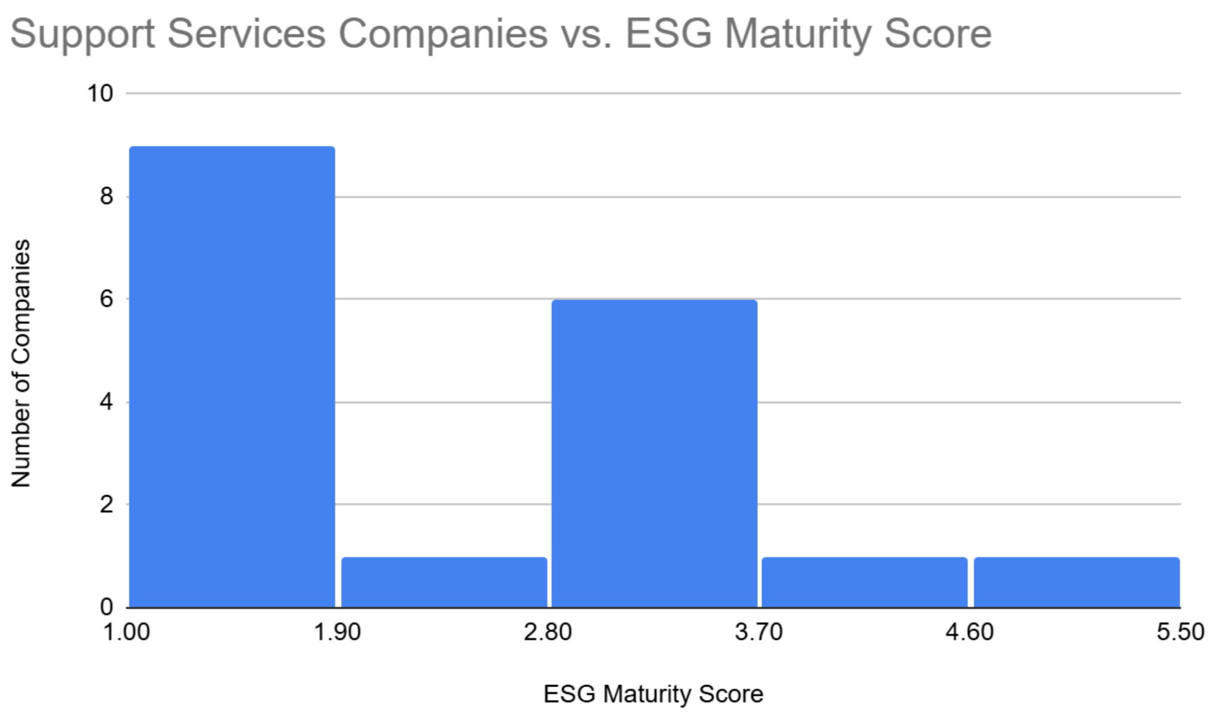
Overall, the average ESG Maturity Score for Software Companies is 2.18. Seeing that the score tends towards extremes, this was further separated into SMEs vs larger companies.



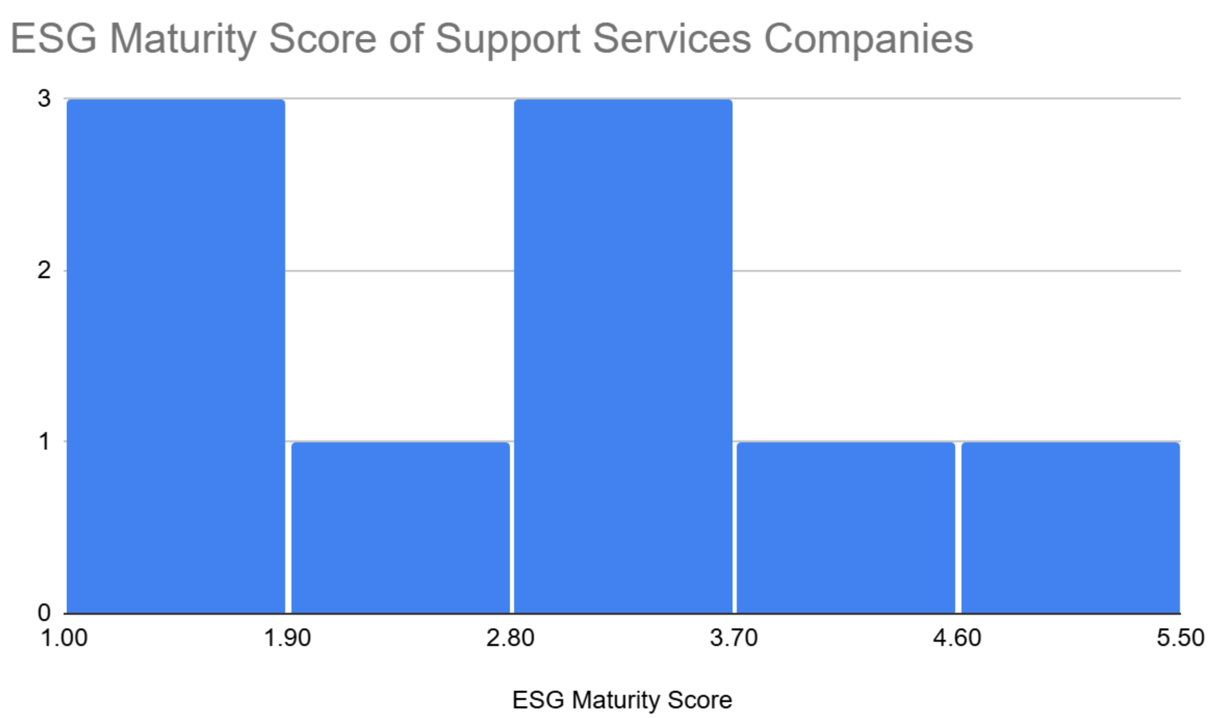


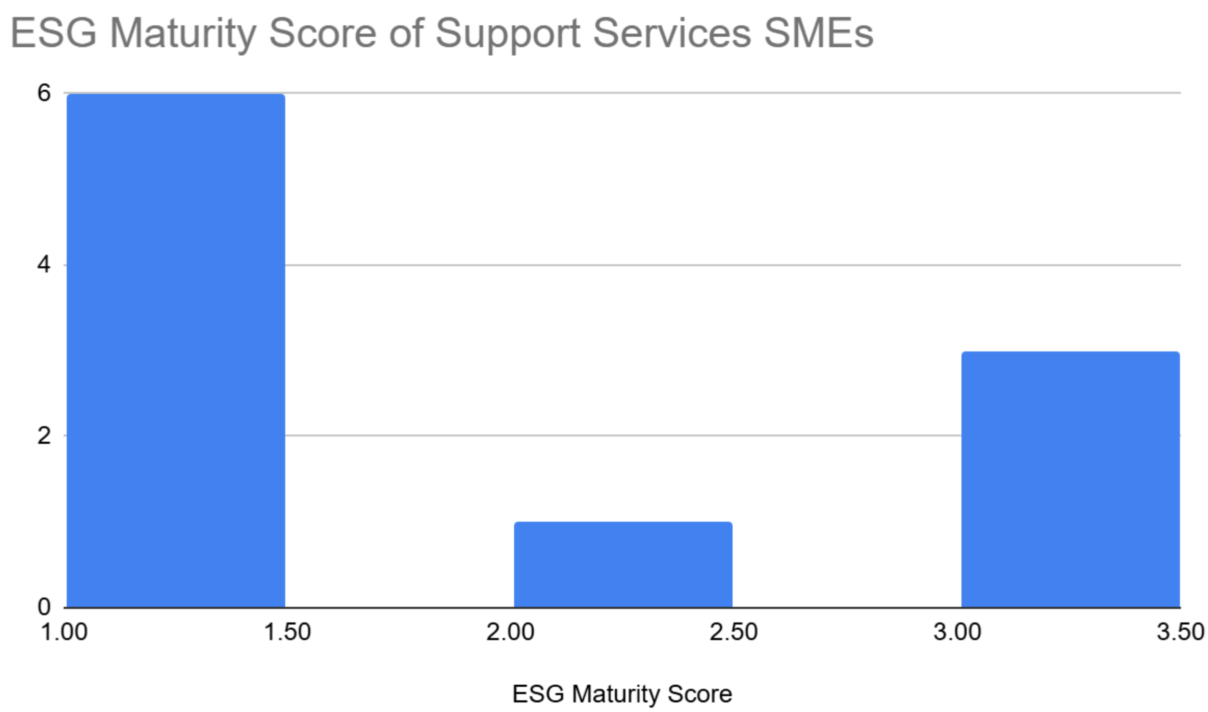
The average of the Larger companies is 2.92, while the average for the SMEs is 1.3. The SMEs are most likely to be newer startups without strong ESG policies, such as Uvaro and iTotem Analytics, for which neither have a sustainability report. Some of the larger companies include D2L, SAP Canada, and BlackBerry, which are likely to have more robust processes in place.

Support Services



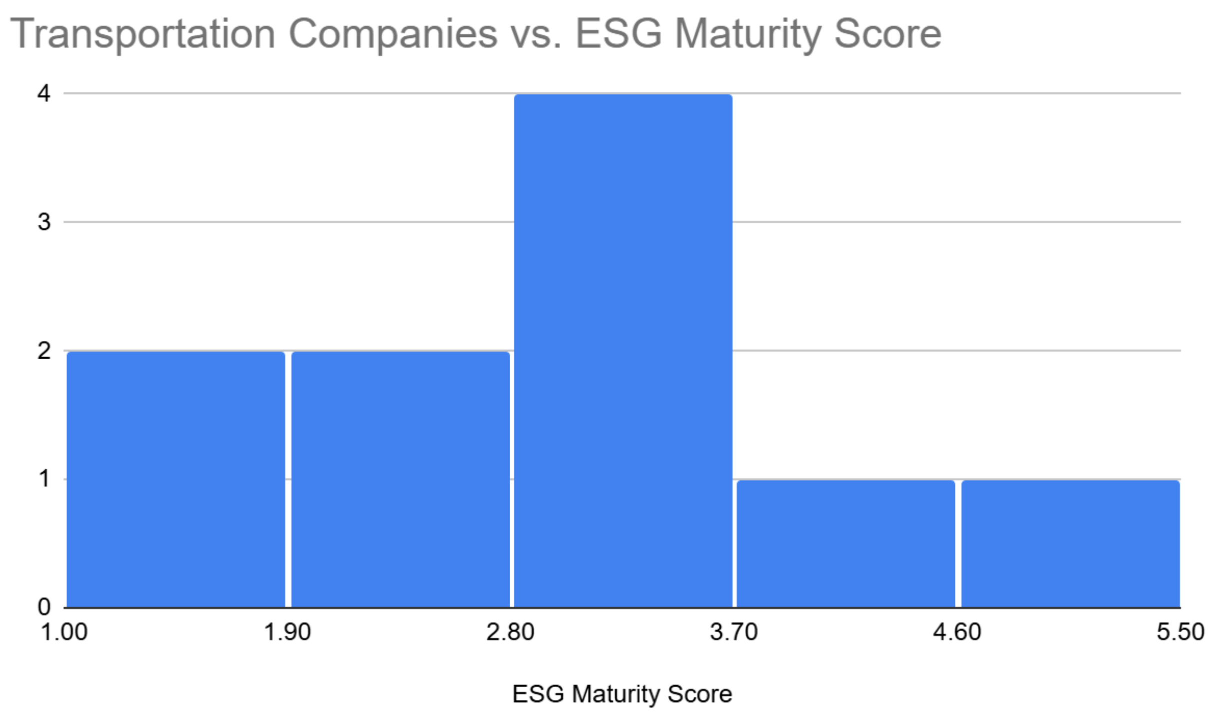
The average Maturity Score is 2.11. A similar pattern was observed for Support Services, necessitating segregation of larger companies and SMEs.





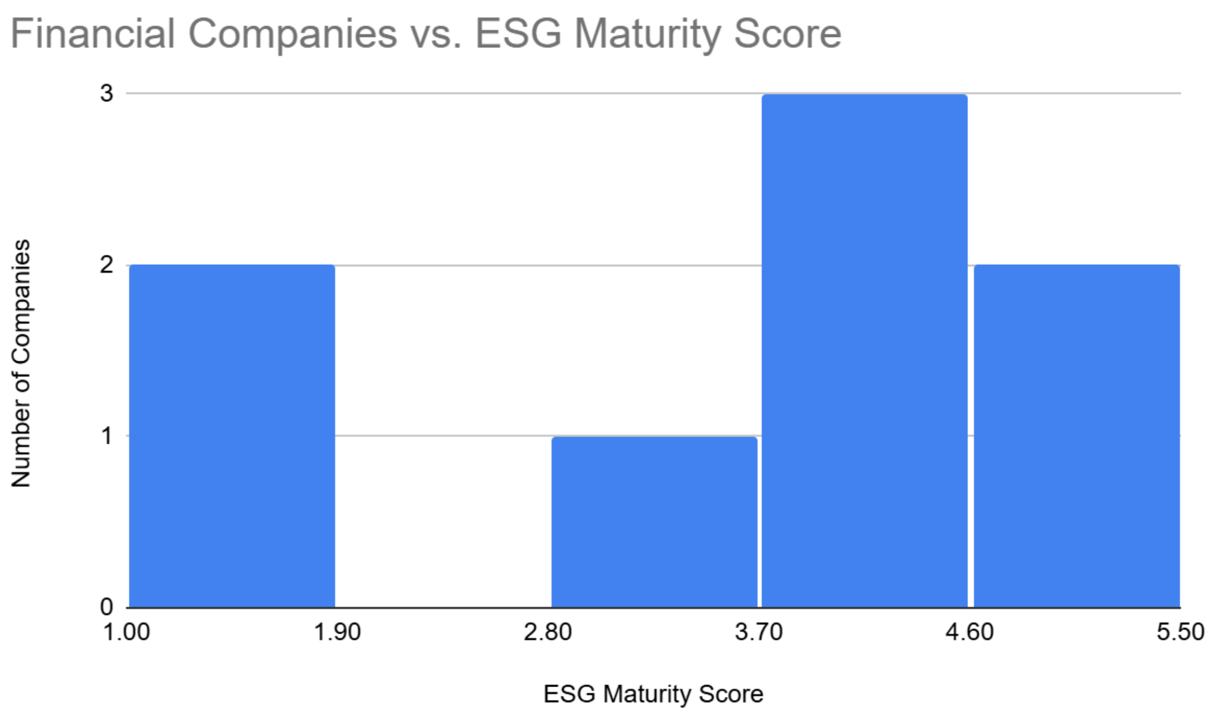
The average score for companies is 2.56, while for SMEs it is 1.70. This is also likely due to the SMEs consisting of newer consulting firms such as GlobeScan, which does have an Impact Report which lacks coverage in many topics. The larger companies consist of organizations like Randstad, Stantec, and EXP Global, which are more established consulting firms that display strong ESG practices to serve as models for their clients.

Transportation



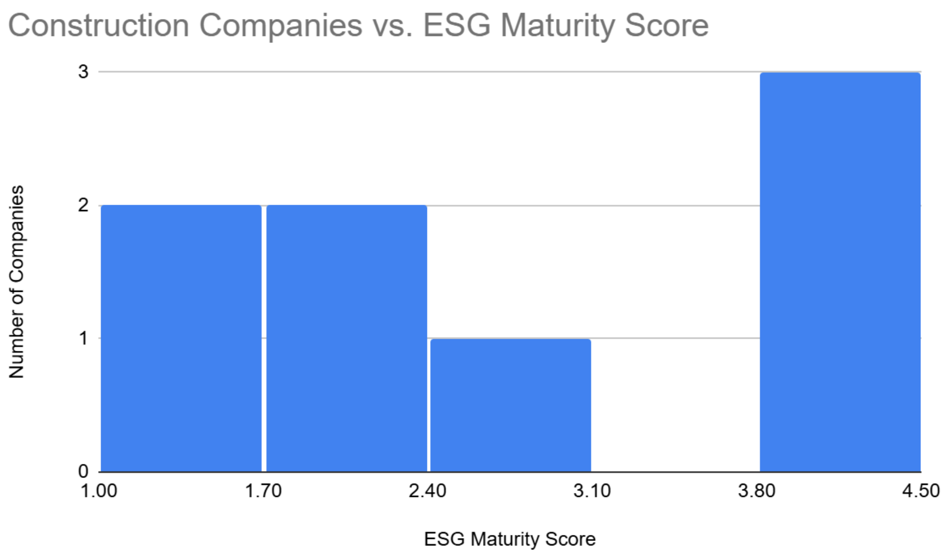
The average ESG Maturity Score is 2.7. The more mature organizations consist of Canada Post and Atlas Corporation, while the less mature ones are SMEs such as Port Quebec and NovaJet. About half of the companies had no report or a very brief one, and the age of the company played a large role in how mature they are.

Financial



Financial companies consist of banks, insurance, and other financial services companies. The average maturity score is 3.11. Both companies that had a maturity of 1 were SMEs, which are Internopay and Valani Global. Meanwhile, the larger companies, which consist of the likes of Manulife and Scotiabank, scored a 4 or 5. Financial companies are likely to be informed about the financial implications of ESG compliance, though they are not a high risk industry. Many of the financial companies ranked in “Low” or “Negligible” risk for Sustainalytics.

Construction



The average maturity score is 2.63. Construction companies have some inherent ESG risk, though less than mining and oil/gas, many have been around for a long time which gave them a chance to build strong ESG policies, such as Cascades and West Fraser Timber, with both being founded before 1970.

5. SDG Engagement and Reporting Trends

Most vs Least Disclosed SDGs

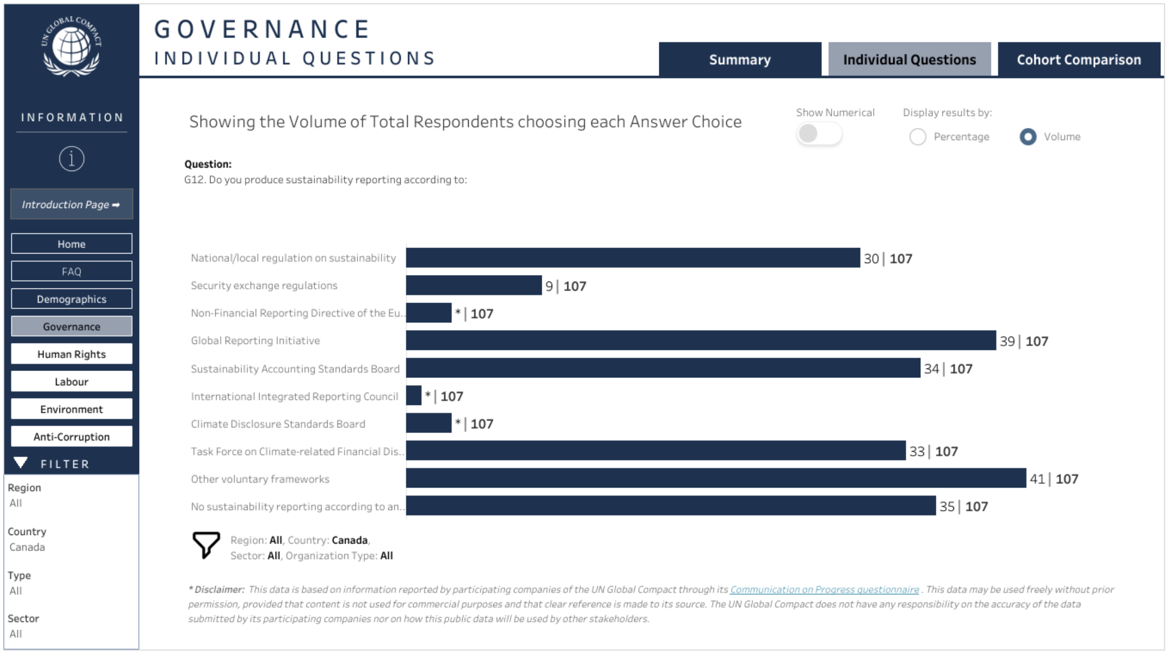
Industry	Top 4 SDGs	Bottom 4 SDGs
Overall	SDG 13: Climate Action, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Consumption and Production	SDG 14: Life Below Water, SDG 2: Zero Hunger, SDG 1: No Poverty, SDG 6: Clean Water and Sanitation
Mining	SDG 13, SDG 8, SDG 3: Good Health and Wellbeing, SDG 5	SDG 14, SDG 2, SDG 6, SDG 1
Support Services	SDG 3, SDG 8, SDG 10: Reduced Inequalities, SDG 13	SDG 1, SDG 17: Partnership for the Goals, SDG 2, SDG 15: Life on Land
Financial	SDG 13, SDG 8, SDG 5, SDG 10	SDG 14, SDG 6, SDG 1, SDG 9: Industry, Innovation and Infrastructure

Diversified	SDG 10, SDG 5, SDG 8, SDG 15	SDG 9, SDG 7: Affordable and Clean Energy, SDG 4: Quality Education
Software	SDG 4, SDG 13, SDG 5, SDG 8	SDG 14, SDG 1, SDG 2, SDG 6
Construction	SDG 7, SDG 11: Sustainable Cities and Communities, SDG 12	SDG 14, SDG 10, SDG 9, SDG 1
Transportation	SDG 9, SDG 13, SDG 7, SDG 8	SDG 6, SDG 15, SDG 4, SDG 3

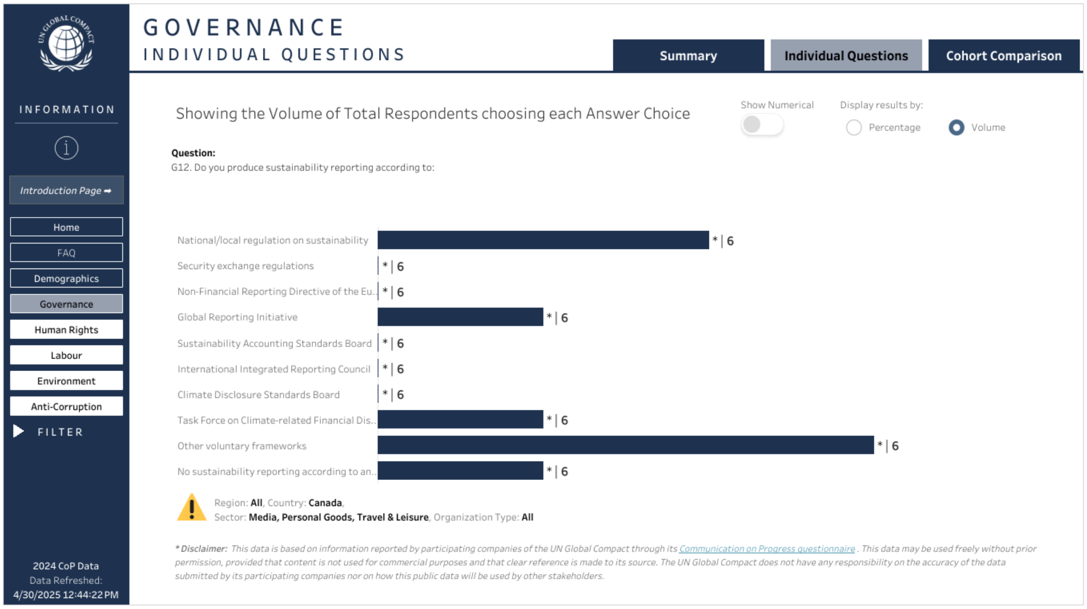
The most commonly mentioned SDGs are Climate Action, Gender Equality, Decent Work, and Responsible Production & Consumption as these are some of the most cross-cutting, and relevant for companies across all sectors. Certain SDGs, such as Sustainable Cities and Communities, Zero Hunger, Affordable and Clean Energy, and Quality Education are SDGs that specific industries are more suited to tackle.

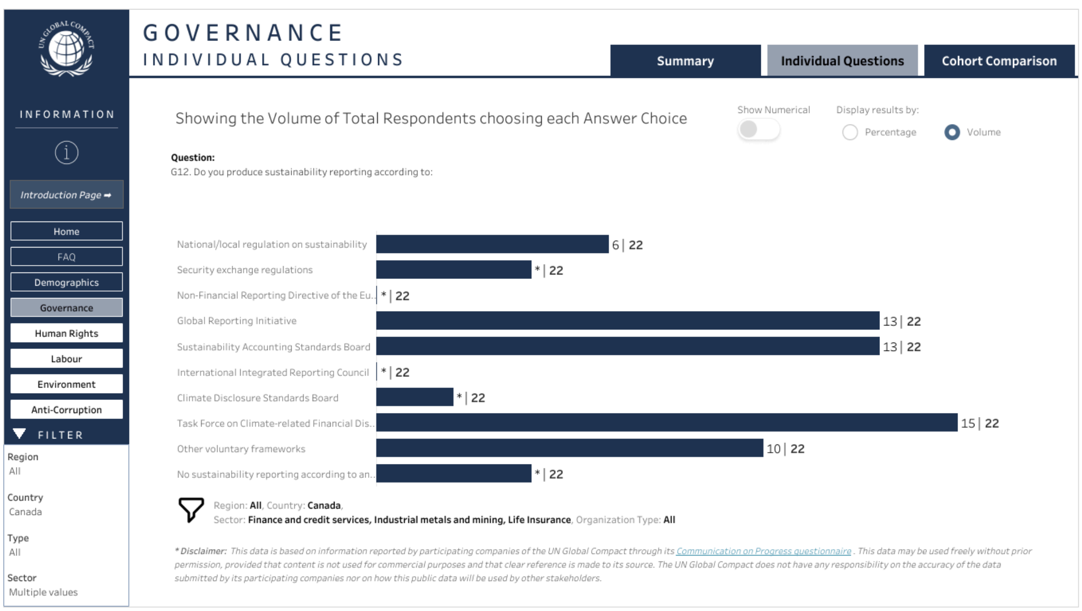
Some of the least common SDGs are Life Below Water and Clean Water & Sanitation since not many industries deal directly with aquatic life and ecosystems, nor cover certain aspects of clean water (e.g. hygiene and global access). Additionally, Zero Hunger is one of the least common because typically specific sectors like food and beverage work to address issues of food insecurity, as is No Poverty due to few companies in the network being in sectors that deal directly with poverty (i.e. agriculture and manufacturing).

6. Sustainability Reporting Frameworks



As of currently, sustainability regulations are not mandatory for Canadian companies, but stakeholders (and particularly investors) are expecting companies to adhere to environmental and social standards. The most common followed frameworks for sustainability regulations are TCFD, GRI, and SASB. At least 10 companies mentioned monitoring CSSB, which was released this past January and for which provinces and territories have the responsibility to mandate. Some have ISO standards that are industry-specific or catered towards a specific area of the company. For example, ISO 14001 gives companies a framework for developing their own EMS or environmental management system. Nearly 40 companies have set SBTi goals, 45 companies report to CDP, and there are 10 certified B Corps.





In the above, the more mature industries, which consist of mining and financial companies, were compared with less mature industries such as media, personal goods, and travel & leisure. There is a clear distinction in the degree in which industries are reporting, as the laggards are in industries where there are fewer material ESG topics and risks, and for which investor expectations are lower but slowly catching up.

20 companies, which is less than 10% of the total network, have listed a Forward Faster target. The most common one by far is Climate Action Target 1 (setting SBTi targets for net-zero by 2050). Others mentioned include both Gender Equality targets (equal representation and pay) and Living Wage Target 1 (paying all employees a living wage). The least common ones were

both Finance and Investment targets (aligning corporate investment and financing strategies with SDGs) and Water Target 1 (building water resilience across supply chains and operations). Additionally, 14 companies (or roughly 7%) were noted to participate in a UN Global Compact Engagement, such as a Net-Zero Commitment or CEO Water Mandate. These are separate initiatives helping companies align with UN Global Compact and global standards related to emissions reduction and water use.

7. Anti-Corruption Practices

Anti-Corruption is about avoiding all forms of corruption (i.e. bribery, extortion, kickbacks). This includes preventing corruption internally and within the supply chain through developed policies and programmes. Anti-Corruption is part of a larger corporate sustainability strategy that guides companies to act responsibly across human rights, environment, and more. To perform the best work with the interest of the planet in mind, companies should establish a culture of integrity. Avoiding acts of Anti-Corruption protects both society and the company from possible repercussions, which affect the financial health, morale, and continuity of the company. Anti-Corruption policies are a bit more centralized and less industry-specific, with the common practices being relatively standard across companies in the UN Global Compact Network (i.e. training, Codes of Conduct, etc.). Some industries, such as mining, oil and gas, pharmaceuticals (i.e. the more ESG-mature industries) are more likely to have comprehensive Anti-Corruption policies, while Media, Support Services (i.e. consulting firms), Travel and Leisure may lag behind. Seeing that Anti-Corruption is being increasingly considered in ESG reports, with newer companies beginning to develop programs and policy around it, companies would need to include it in order to score high on ESG Maturity (i.e. to score a 4 or higher, there should be some mention of current policy or development of programmes).

Here are the most common themes or practices among the companies in Network Canada:

Code of Conduct/Ethics, among other policies: Many companies have some form of an anti-corruption compliance programme, which is largely under a Code of Conduct, but may also include an Integrity or Whistleblowing Policy. This is to show the recognition and prioritization of anti-corruption, and a dedication towards a concrete plan to fight it across all levels of the company. For companies where this is not a large focus area, anti-corruption may be embedded in their general HR policy.

Training: Most organizations provide training on anti-corruption topics for employees during on-boarding. Some organizations go above and beyond to train all employees, even suppliers and other third parties. Others only train relevant employees, particularly if their industry has fewer risks related to anti-corruption. Introducing employees to these topics during onboarding displays a commitment to anti-corruption, not just in company policies, but in the personnel they hire and the managers they train.

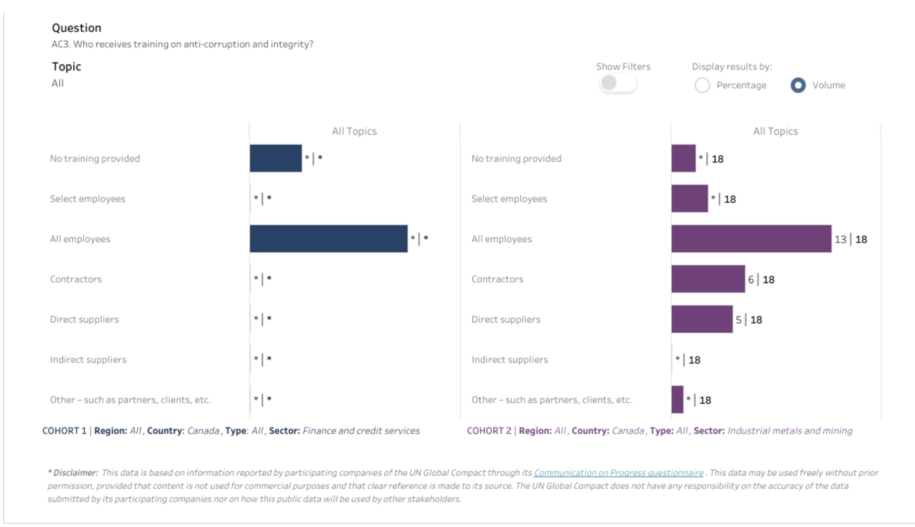
Whistleblower/Anonymous Complaint Mechanism: Within anti-corruption, one of the most commonly mentioned policies or practices is whistleblowing, which is the act of reporting illicit activity to a person (such as a manager) or organization. Many even have a standalone whistleblower policy, which may outline what constitutes illegal behaviour and who specifically to report this finding to. Among the companies in Network Canada, few have explicitly stated that there were reported incidents of anti-corruption, with many saying that either there are no recorded incidents or anti-corruption is still new to them. The reliability of these claims are not explicitly verifiable.

Here are some areas of improvement for the companies in the network:

Lack of a Comprehensive Policy: As aforementioned, some companies, rather than having a full policy dedicated to anti-corruption, will include it as part of a broader HR or company policy. This may indicate lower maturity rather than lack of awareness of the principle, as some companies have explicitly stated in their CoPs that they plan to develop a policy in the coming year or two.

Collective Action: Collective action is the act of joining forces with governments, NGOs, other businesses, and more, as a way of knowledge-sharing and a compliment to current efforts. These organizations can collaborate on projects such as education and training, business coalitions, and formal declarations to fight anti-corruption. Roughly 30 companies mentioned engagement in collective action in their CoP, which is a good start, but this could present an opportunity for Network Canada to facilitate interactions between members.

External Audits: Fewer than 20 companies explicitly mention external auditing of their anti-corruption compliance programme. In many cases it is reviewed internally or by a Board of Directors, but similar to sustainability reports, external audits showcase an additional layer of compliance.



Both finance and mining have high risks when it comes to corruption, and the above graphics show who is involved in training and whether or not they report on known incidents. These are notable figures since it displays how comprehensive their training policies are, and involving suppliers among other third parties demonstrates a commitment to eliminating all forms of anti-corruption. Keeping track of corruption incidents and openly disclosing them shows their accountability to the public and willingness to publicly own up to mistakes.

8. Business Interests and Focus Areas

Business Interests and Focus Areas covers the scope of topics that are generally mentioned in sustainability reports and company websites. UN Global Compact programming revolves around these topics. The purpose of this section is to understand if business interests of the network align with the focus areas of the Global Compact. The tables below reference how many times specific key terms were referenced by each industry as disclosed in publicly published reports and CoPs, first covering the whole network, and then going into an industry breakdown. The most common areas of interest are Climate Change, Clear Governance Structure, Labour & Decent Work, SDG Integration. The least common ones are Ocean Stewardship, Sustainable Finance, Gender Equality, and Human Rights. The lesser common ones are more specific to certain sectors, specifically Ocean Stewardship and Sustainable Finance, while Gender Equality and Anti-Corruption are still developing topics for most countries.

Industry	Top 4 Areas of Interest	Bottom 4 Areas of Interest
Overall	Climate Change, Clear Governance Structure, Labour & Decent Work, SDG Integration	Ocean Stewardship, Sustainable Finance, Gender Equality, Human Rights

Mining	Water, Climate Change, Human Rights, Labour & Decent Work	Ocean Stewardship, Sustainable Finance, Gender Equality, Clear Governance Structure
Support Services	Climate Change, Clear Governance Structure, Human Rights, Labour & Decent Work	Sustainable Finance, Ocean Stewardship, Water, Anti-Corruption
Financial	Climate Change, Gender Equality, Anti-Corruption, Clear Governance Structure	Ocean Stewardship, Sustainable Finance, Water, Labour & Decent Work
Diversified	Climate Change, Gender Equality, Anti-Corruption, Clear Governance Structure	Ocean Stewardship, Sustainable Finance, Water, Labour & Decent Work
Software	Climate Change, SDG Integration, Human Rights, Labour & Decent Work	Ocean Stewardship, Sustainable Finance, Water, Anti-Corruption
Construction	Climate Change, Labour & Decent Work, Water, Clear Governance Structure	Ocean Stewardship, Gender Equality, Sustainable Finance, Human Rights
Transportation	Climate Change, Clear Governance Structure, SDG Integration, Labour & Decent Work	Ocean Stewardship, Sustainable Finance, Water, Anti-Corruption

The below tables cover information extracted from CoPs, separated into the 4 main categories of Human Rights, Labour, Environment, and Anti-Corruption. Each industry is abbreviated to fit the table and the numbers in the brackets are a count of how many organizations had completed CoPs.

Human Rights

Term	**Total (117)**	**M (31)**	**SS (13)**	**F (7)**	**D (14)**	**SW (17)**	**C (6)**	**T (5)**
Gender equality and women's rights	111	18	8	5	10	11	3	5
Digital security / privacy	104	13	8	5	7	10	2	3

Freedom of expression	83	13	5	4	7	7	3	5
Freedom of Association	79	12	3	2	5	5	2	5
Rights of Indigenous Peoples	70	14	7	3	6	4	2	5
Rights of refugees and migrants	26	2	2	1	4	5	2	1

More companies can benefit from having a public statement about Indigenous rights, more land acknowledgements, and a commitment to incorporating Aboriginal wisdom and voices into their policies. They can also recognize refugee and migrant rights, assisting them with employment, providing workshops and financially supporting efforts to accommodate them.

Labour

Term	**Total (117)**	**M (31)**	**SS (13)**	**F (7)**	**D (14)**	**SW (17)**	**C (6)**	**T (5)**
Safe and healthy working environment	110	19	8	5	11	12	4	5
Non-discrimination in respect of employment and occupation	85	17	8	5	11	12	4	5
Forced labour	72	17	5	3	8	7	3	5
Child labour	71	17	4	3	8	7	3	5

Freedom of association and the effective recognition of the right to collective bargaining	65	15	3	3	6	7	3	5

Companies with international supply chains should be extra diligent in acknowledging the possibility of forced and child labour of any capacity. Many companies recognize this in their general anti-corruption policy. There should be more explicit mention of collective bargaining and advocating for joining unions, so employees can protect their rights and working conditions for the future.

Environment

Term	**Total (117)**	**M (31)**	**SS (13)**	**F (7)**	**D (14)**	**SW (17)**	**C (6)**	**T (5)**
Climate	84	20	5	5	8	12	4	5
Waste (eg. chemical spills, solid waste, hazardous, plastics, etc)	82	18	5	4	11	9	4	5
Energy & resource use	69	19	3	5	6	10	3	5
Forests / Biodiversity / Land use	59	17	4	3	7	5	3	3
Water	56	14	3	2	6	5	4	2
Scope 1 emissions	55	19	4	2	5	7	4	4

Scope 2 emissions	53	19	4	2	5	7	4	4
Scope 3 emissions	47	16	2	0	4	6	3	4
Air pollution	43	17	2	2	5	5	3	5
Oceans	26	3	1	0	3	3	1	2

Climate change is the most common environmental topic, however, this just indicates recognition of climate change as a threat to humanity more so than a priority. Companies could benefit from being clear around which areas of climate change they plan to combat when mentioning climate change as a target area. Though many companies are more involved with human services and client work rather than standalone operations, many of these organizations are starting to see that they still contribute to emissions through employee commuting and scope 3. This is an area an increasing number of companies are starting to report on.

Anti-Corruption

Term	**Total (117)**	**M (31)**	**SS (13)**	**F (7)**	**D (14)**	**SW (17)**	**C (6)**	**T (5)**
Training for all employees	87	20	6	4	5	9	3	3
Company has an anti-corruption compliance programme	80	23	6	4	7	8	3	5
Whistleblowing / Anonymous Complaint Forum	78	20	5	4	6	11	3	4

Monitoring of compliance programme - auditing	66	18	5	4	5	8	3	5
Internal investigations	56	7	3	2	1	3	1	1
Risk & Ethics committee (internal operations)	48	4	2	2	2	4	1	1
Engage in collective action against corruption	40	13	0	1	3	5	0	2
Risk & Ethics committee (external auditing)	9	2	0	1	0	1	0	0

As mentioned, collective action and external auditing are great next steps for companies looking for ways to effectively fight corruption.

9. Recommendations for Network Canada

Here is a breakdown of the most salient ESG topics for each sector:

Industry	Areas to Focus On
Overall	Environmental Impact, DEI, Data Privacy
Mining	Modern Slavery, Indigenous Relations, Environmental Impact
Support Services	Scope 3 Emissions, Sustainable Procurement, Data Privacy
Financial	Responsible Investing, DEI, Data Privacy
Diversified	Scope 3 Emissions, Sustainable Procurement, Data Privacy
Software	Energy Consumption, Gender Equity, Data Privacy

Construction	Worker Safety, DEI, Environmental Impact

Environmental Impact is the most directly related to climate change, though this may vary across sectors such as energy consumption for technology companies and emissions reduction for mining and construction. DEI is important since sustainability (and some of Network Canada's largest sectors) lack the representation and diverse perspectives among leadership that could drive the changes needed. There are many aspects of DEI, such as gender, sexual orientation, race, religion, and age. Almost all sectors will have some area for improvement in one or more of these areas, for example, some sectors like software and construction are undeniably skewed towards one gender, while more gender-balanced sectors (i.e. retail and support services) could benefit less from a gender equity perspective but more inclusion and generational diversity. Data Privacy is important because those sectors that work with clients or deal with large amounts of data need to adhere to best practices to fight corruption and make the most impactful decisions with the data they have.

Industry-related programming is up to the discretion of the country networks, and without centralized processes, the networks and industries may lack the guidance they need. UN Global Compact has an extensive variety of programming. In order to help meet the needs of members within certain sectors, they can be focused on those industries that need it most. Financial companies may not require the same level of guidance on environmental impact that a mining or construction company may need, but could benefit instead from guidance on DEI and Data Privacy. This approach to creating programming that is targeted at specific industries means those attending sessions may have more cohesion on the challenges and regulations that they each face, allowing for more effective peer learning. Network Canada currently leads initiatives on Anti-Discrimination and Male Allyship, and further initiatives could include deep dives into the important topics for each industry. Some examples include:

- How Mining Companies Can Manage Indigenous Relations
- How Companies with Heavy AI Consumption Can Manage Energy Use
- Managing Sustainable Procurement for Manufacturers

Encouraging companies to become certified B Corps, disclose to CDP, and establish SBTi targets if applicable can help companies further their progress and impact. B Corp may be susceptible to becoming a 'buzzword', so providing transparent education and resources around the certification process may benefit all stakeholders.

43 companies were found to explicitly mention the use of third-party verification for parts of their report. Network Canada can offer programming to discuss the benefits (i.e. reduced risk of greenwashing, more credibility for stakeholders) for companies that have the budget for it. Network Canada offers the Annual Sustainability Report Peer Review Programme allows companies to improve their sustainability reporting through peer-to-peer reviews and tips from

industry experts. This could become a core part of future programming and an obligatory step for companies within the network to ensure no members are left behind.

The above programmes are great next steps for companies that have the resources to invest in additional certifications and external audits. However, this may be inaccessible to SMEs who have resource constraints. They may not be able to justify investing in DEI initiatives, hiring sustainability consultants, let alone ESG analysts/managers within their own organizations. These organizations could specifically benefit from guidance on the practical business case of being part of the UN Global Compact and investing in sustainability. These are the organizations that can benefit from peer exchanges, local network workshops, and success tips for SMEs in their respective industry.

Addressing the topic of greenwashing is important since it is likely to impact many companies, and it can affect financial status and reputation. Greenwashing is the act of portraying oneself as more sustainable than they really are. Greenwashing can occur from false claims or designs/branding that give the illusion of green practices. This is a relevant topic as Bill C-59 took effect in June 2024. Similar to regulations, being aware of risks currently present can prevent unnecessary fines or reputational damage.

Furthermore, Network Canada can encourage pacts and coalitions between companies that operate in similar industries or have similar goals/values. Collective Action is underutilized by companies in Canada, and has been used by countries like Japan, India, and Brazil by holding sessions, launching assessment tools, and conducting needs assessments as examples. Due to its flexibility it presents many opportunities for Network Canada to engage with members and aid them with their individual challenges. This also improves accessibility and reach of Network Canada offerings, as the team is Ontario-based and companies outside the province or in smaller municipalities may be less engaged. Getting companies in similar industries and similar geographies can help them make full use of UN Global Compact offerings and engage beyond Zoom and video conferencing.

Many different types of companies can publish poor quality sustainability reports, but the factors that contribute to that usually come from one of 3 issues. Strong reporting practices stem from a robust and diverse sustainability team that has C-Suite and/or board involvement, technological capabilities to collect and report on the necessary data, and sustainability should be part of the company's core values, prioritizing it as a value-add over a compliance exercise. This necessitates programming in sustainability management, building secure environmental management systems, and learning from success stories. Monthly or weekly testimonials and awards can promote friendly competition and inspire companies with best practices for orienting their organizations towards sustainability. An important aspect is having a forward-thinking sustainability strategy, which can be addressed by encouraging monitoring upcoming changes in regulations. Two of the most note-worthy ones are CSRD (European Corporate Social Responsibility Directive) for those with EU operations, Australia' sustainable finance taxonomy, and CSSB (Canadian Sustainability Standards Board). It is one thing to follow regulations, but being prepared and planning for upcoming regulations can allow for strategic planning and more seamless reporting. Roughly 20 companies have operations in the EU and a few in Australia as well, and this includes big names like SAP, Manulife & Bombardier. Though this only covers about 10% of the network, they are some of Network Canada's most renowned brand names and aiding them through these regulatory changes can help them feel supported.

10. Limitations & Future Direction

Gaps in Data Availability or Missing Reports

There were 55 companies that did not fill out the CoP, mostly due to joining in the last 12 months. This may have had an impact on the data collected from the CoPs, considering this represents roughly a quarter of the companies in the network. From these companies, the average maturity score is 1.94, and only 19 of them published sustainability reports. New joiners are also typically lower in ESG Maturity as proven in section 4. This means they are likely less mature and may have negatively impacted Section 8 as opposed to only looking at companies with completed CoPs.

Possible Inconsistencies in Self-Reported Information

The data from the disclosures are only as trustworthy as the companies themselves. As an example, companies may choose not to disclose incidents of corruption. They may be greenwashing or exaggerating numbers, especially if they do not have third-party verification. No members within Network Canada have been accused of greenwashing or false claims. Some ESG topics, particularly social factors, may be subjective and difficult to collect. Some companies in their CoPs had varying levels of detail regarding their anti-corruption practices, making direct comparisons hard.

The ESG Maturity Score

While one company may have objectively stronger disclosures and policies than another, this does not consider that some companies and industries may be doing well for their respective conditions. They may have shown great improvements year-over-year or the organization may be very new and still building out their ESG strategy. The maturity score may not take into account these nuances, and further research can look into methods to even out the score. Additionally, since it was discovered that companies with high ESG Maturity scores may be High or Severe risk according to Sustainalytics, this may require an adjustment to the scoring to reflect the true environmental impact of the organization. This might entail assigning weights to different industries, adjusting the score for companies based on their age (considering that join date often correlated with higher maturity) or Sustainalytics ranking, and more.

11. Conclusion

The UN Global Compact Network Canada has a diverse member portfolio, consisting of companies across industries and different sizes. Understanding how we can aid them requires an in-depth understanding of their current progress. This involves which areas they focus on within sustainability, which SDGs and regulations they align with, and evaluating their disclosures.

The ESG Maturity Score was developed to attempt to measure companies' progress, taking into account the many factors that constitute strong or weak sustainability practices. The most predictive factors of ESG Maturity are how long the organization has been a member of Network Canada and which industry they operate in. It was difficult to make direct comparisons between companies based on these factors, so industries were analyzed separately

While many mature companies have Forward Faster Targets and SBTi targets, becoming a certified B Corp, following and staying on top of upcoming ESG regulations, prioritizing third-party verification, and more can lead to further impact while those companies that are behind can catch up.

Some of the recommendations for Network Canada are to offer industry-specific programming, facilitating pacts and coalitions for companies to collaborate and assist one another in their own success, and offering programming in trending sustainability topics like new regulations and greenwashing. These will help struggling companies navigate the complex and ever-evolving terrain of sustainability.

The research performed was not meant to be a single submission, but to set the stage for continuing research and devotion to our members. Each member presents opportunities to collect data, meet them where they are at, and guide them individually in their sustainability journeys. It permits Network Canada to be intentional about its programming, focusing efforts on events and webinars that will be most impactful. This is important since sustainability is such a broad field, and it means different things to every company and industry. Finally, this reminds members that being part of the UN Global Compact is more than just a milestone in their sustainability journey, but they are joining a support system of the most forward-thinking organizations on a mission to make a true impact.