



# Sustainability Reporting: Do's and Don'ts



CANADA LANDS COMPANY  
SOCIÉTÉ IMMOBILIÈRE DU CANADA

Innovation • Value • Legacy  
Innovation • Valeur • Héritage

# About Canada Lands Company

- Non-agent commercial Crown corporation
- Reactivated in 1995
- Self-financing
- Reports to Parliament through the Minister of Transport, who is aided by the Secretary of State for selected Crown corporations



# Vision Statement

**Canada Lands Company CLC Limited (CLC) builds innovative property solutions to create financial value and community legacies for all Canadians**

**Innovation • Value • Legacy**



# CLC's Value Creation to Date

The company's activities to date, along with estimates for sold properties, will lead to:

- \$266 million distributed to the government
- \$3.3 billion in development expenditures
- 26,400 person years of construction employment
- \$35.7 million in environmental remediation
- 14,000 new or refurbished housing units



# What is Sustainability Reporting?

Ensuring accountability for a company's activities, with respect to the well-being of future generations.



# Why Undertake Sustainability Reporting?

- Enhance profits and good-will
- Show leadership and earn respect
- Avoid costly mistakes by listening to and incorporating community perspectives



# What is Required for Effective Sustainability Reporting?

- Focused attention on stakeholders
- Scorecard link to corporate vision
- Systematic approach to managing by performance objectives
- Performance accountability and executive sponsorship
- Use of leading and lagging indicators
- Stakeholder input to define corporate objectives
- Commitment to learning and continuous improvement



# How is Effective Sustainability Reporting Carried Out?

- By assessing corporate governance practices regularly
- By challenging the status quo
- By developing an action plan to make adjustments in the spirit of continuous improvement
- By communicating regularly with stakeholders
- By ensuring transparency





# Action Plans Should Include:

- A process for annual strategic planning
- An identification of core competencies and centres of excellence
- Opportunities and risks
- Development of a balanced scorecard
- Development of a performance-based management system
- Development of a board assessment process



# CLC's Balanced Scorecard

- Adopted in 2001-2002 fiscal year
- Tool to guide strategy implementation
- Build, assess and monitor corporate and societal value creation
- Improve internal financial and qualitative measures and performance



# CLC's Balanced Scorecard Enables the Company to:

- Develop relevant, meaningful indicators
- Diagnose and evaluate performance
- Move from measurement to management
- Pinpoint and focus performance improvement efforts
- Optimize value-added from resource allocation
- Align operational activities with strategic priorities



# CLC's Key Performance Areas

- Shareholder and board of directors
- Business and financial outcomes
- Community and legacy initiatives
- Employees and work environment
- Municipal and provincial interests



# CLC's Key Performance Areas



# CLC's Balanced Scorecard:

- Is developed annually through a cyclical strategic planning process including a joint board – management planning process
- Establishes corporate goals and objectives for the five year plan period which translate into corporate then individual goals for the coming year



# Monitoring and Managing Performance

- Corporate goals become the foundation for the President and CEO's performance goals
- These goals cascade down through the organization
- All employees have performance goals that relate back to the corporation's overall strategic objectives



# CLC Environmentally Sustainable Objectives Achieved - Moncton

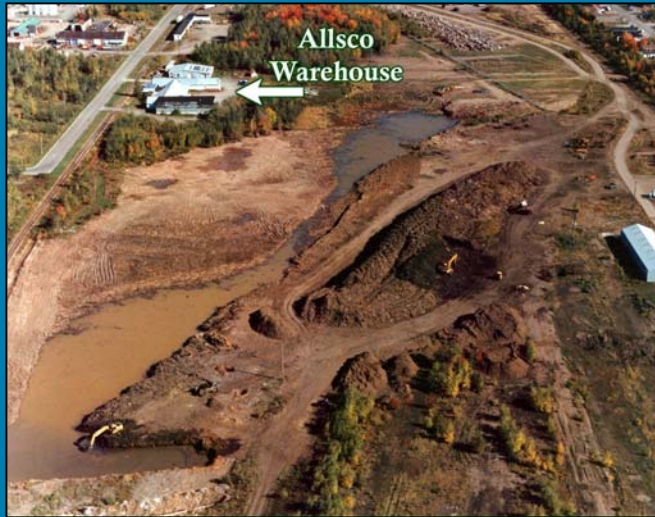


- 300 acres of vacant land at centre of City
- Environmental brownfield
- Use risk based corrective action that protects environment and public
- Create community required land use - open green space
- City of Moncton multi-purpose recreational complex – 16 minor sport playing fields and 4 indoor ice surfaces





# CLC Sustainable Development



**Before**

**After**



# CLC Environmentally Sustainable Objectives Achieved - Calgary

- Former CFB Calgary military permanent married quarters
- Create affordable mixed-residential neighbourhood within 10 minutes of the downtown
- Evaluate existing housing stock
- Develop reuse plan that fits with the master plan
- Refurbish housing stock to meet current codes and development guidelines



# CLC Sustainable Development



**Before**

**After**



# Typical Areas for Improvement

- More transparency of performance accountability and executive sponsorship
- More linking of objectives and indicators to value-creation
- Clearer demarcation of targets and indicators
- Clearer reporting on link between scorecard and employee objectives



# Sustainability Reporting Don'ts:

- Allow poor governance practices to perpetuate
- Lose public trust through lack of transparency
- Be afraid to set corporate performance benchmarks
- Believe that non-financial performance doesn't have an effect on the financial health of a company
- Implement change just for the sake of change - act only to improve business outcomes



# Future Trends in Corporate Accountability and Reporting

- Address stakeholder trust deficit
- Track non-financial value creation
- Increased shareholder activism
- Expand scope of reporting
- More standardization and independent assurance / verification of reports
- Promotion of sustainable practices among supply chains
- Report to achieve continuous improvement
- Walk the CSR talk





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