



Study - March 2023

ESG in Your Business:

The Edge You Need
to Land Large Contracts



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Message from → the Head, Sustainability and Diversity



Sandra Odendahl
Senior Vice President and Head,
Sustainability and Diversity

Market forces, social pressure and environmental realities are putting more and more pressure on businesses to shift toward sustainability.

As this study points out, large buyers of goods and services increasingly want to work with sustainable organizations. This makes the shift to sustainability a “must-do” for businesses of any size.

“At BDC, our purpose is to empower a nation of dreamers and doers to build a better tomorrow for all.”

We are committed to helping entrepreneurs thrive and rise to meet the economic, social and environmental challenges of our time. And in doing so, we want to help them improve their bottom line, attract and retain talent, and have a positive community impact.

And that isn't just talk.

We have been contributing to Canada's growth and prosperity for almost 80 years.

We were the first financial institution in Canada to be certified as a B Corp, in 2013, and we are the B Corp movement's national partner. We are also a founding member of the OECD Platform on Financing SMEs for Sustainability, collaborating internationally to help entrepreneurs adopt and enable greener practices. We are committed to helping Canada reach its 2050 climate targets, and our \$1.0 billion commitment to cleantech and climate tech supports the growth and deployment of technologies critical for our country to reach net zero. And there's much more to come!

Why are we so committed to sustainability? Because, as this study demonstrates, it is the only path to long-term success—for our businesses, our communities and our planet!

Message from the → Chief Economist



Pierre Clérout
Vice President, Research
and Chief Economist, BDC

Canadian small and medium-sized enterprises (SMEs) will increasingly be required to consider their environmental and social impact and to adopt sound governance principles. This trend will be particularly pronounced for businesses looking to close sales with large corporations or public-sector organizations.

The good news is that businesses that adopt sustainable practices will reap the benefits. For example, they will see new business opportunities open up, find it easier to recruit and retain employees, and improve their access to financing and investment.

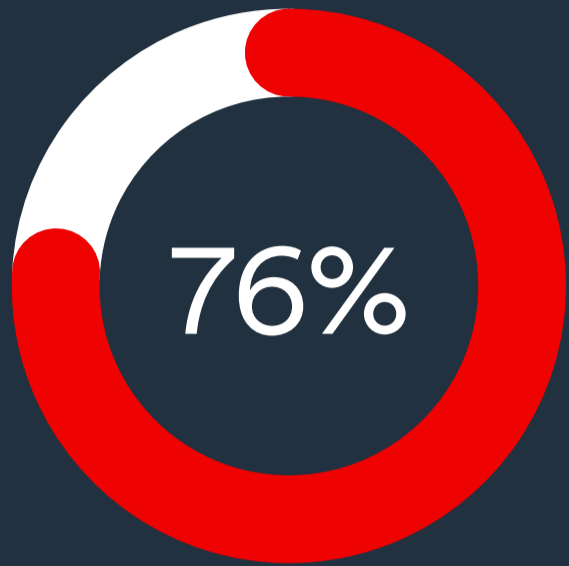
Entrepreneurs from diverse communities are in a particularly good position to take advantage of this trend.

“Major buyers should source more from Canadian SMEs in order to meet ESG standards.”

In this report, you will learn which environmental, social and governance (ESG) criteria are the most sought after by major buyers. We also present a structured approach to starting or continuing to integrate the most relevant ESG practices into your business. Above all, we hope that you will find the information in this report helpful.

Highlights

We surveyed over 100 major buying organizations in the public and private sectors.



Entrepreneurs from certain groups were more likely to say ESG is beneficial to their business.

Percentage of suppliers who consider ESG beneficial to their business

Percentage of suppliers to organizations that have ESG criteria that consider them beneficial to their business.

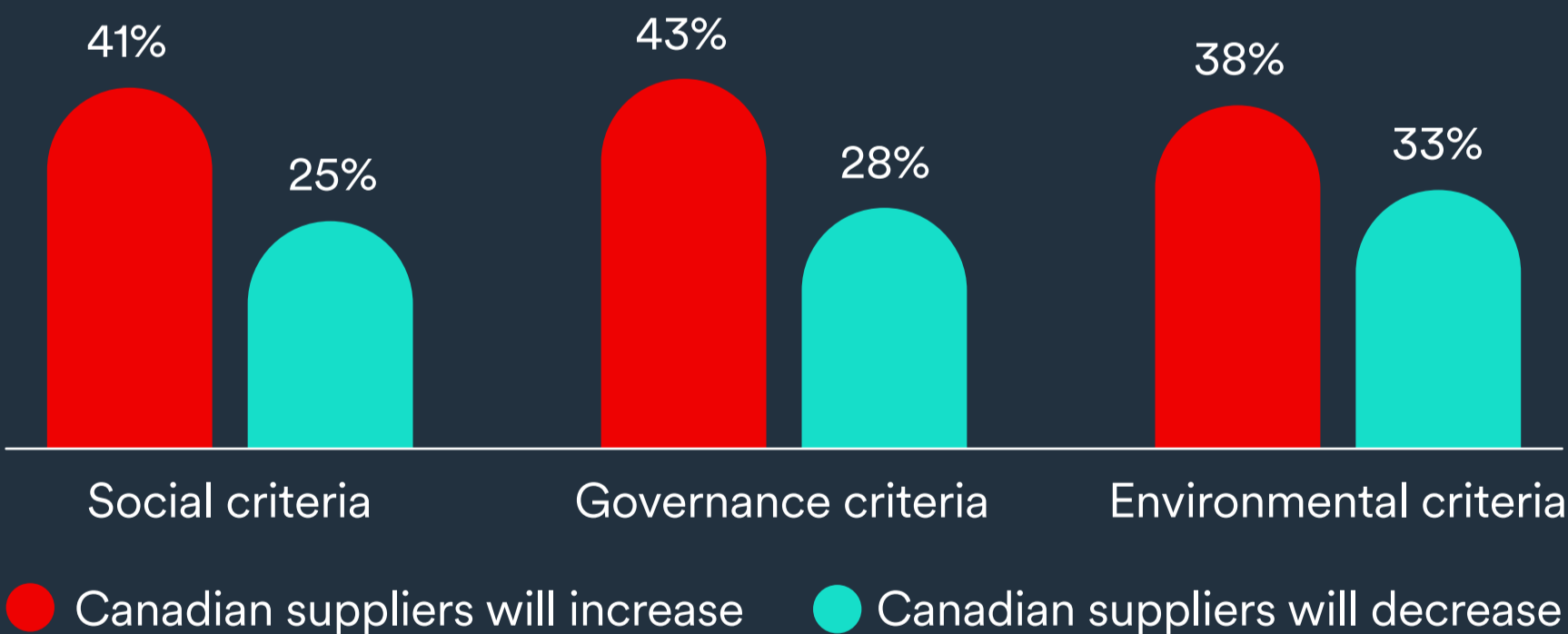
90%
LGBTQ2+ community

87%
Indigenous people

86%
people living with a disability

Sustainable procurement is expected to increase the proportion of Canadian suppliers to major buyers

Percentage of major buyers who believe ESG criteria will increase or decrease the proportion of Canadian suppliers they use



82%

require their suppliers to disclose information about at least one ESG criterion.¹ This proportion is expected to reach 92% in 2024.

75%

plan to increase their ESG disclosure requirements over the next five years.



Advantages of meeting ESG requirements for suppliers

50% Seizing new business opportunities

32% Attracting and retaining staff



Disadvantages of meeting ESG requirements for suppliers

50% Increased operating costs

36% Increased administrative burden

¹For this study, we surveyed the business community on the use of ESG standards, that is to say the environmental, social and governance components.

The evolution of ESG standards and its impact on businesses

Investors and other stakeholders are increasingly requiring large companies to produce transparent, reliable and comparable reports concerning their ESG performance. Across the world, the ESG reporting rate for large companies has increased from 18% in 2002 to 79% in 2022.²

There is a particular interest in tracking and reporting the carbon footprint of large companies, including their supply chains. In 2023, the International Sustainability Standards Board (ISSB), a standard-setting body established by the IFRS Foundation, is expected to introduce a framework to provide guidance to large companies reporting on Scope 3 greenhouse gas emissions³ on how to measure supplier emissions. In Canada, the Canadian Sustainability Standards Board (CSSB), which is expected to be operational in April 2023, will lead the development of sustainability disclosures in financial and audit reports to ensure consistency and usefulness for decision making.

The new standards will encourage large companies to include their supply chains in their ESG performance reports. These companies will in turn pass on these ESG performance requirements to their suppliers, a practice called sustainable procurement (also called responsible procurement).

² KPMG, Global Survey of Sustainability Reporting. This is based on a global sample of the 100 largest companies by revenue in 58 countries, territories and jurisdictions.
³ For more information, see the section [Scope 3 greenhouse gas emissions \(Agenda Paper 4B\)](#).






What is sustainable procurement?

Sustainable procurement is a process for acquiring goods and services that, in addition to reflecting quality and cost, also takes ESG criteria into account.

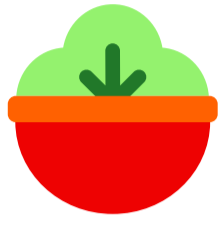
Sustainable procurement helps build a circular economy by reducing the negative environmental and social impacts of purchased goods and services throughout their life. It considers how a product's lifecycle can have the least negative impact, from sourcing to after-use.

Table 1: Examples of ESG criteria related to supply chains

 Environmental	 Social	 Governance
<ul style="list-style-type: none">- Greenhouse gas (GHG) emissions reduction practices (energy and transportation efficiency, clean energy sources)- Waste and water reduction- Ecodesign/life cycle analysis- Biodiversity improvement	<ul style="list-style-type: none">- Diversity, equity and inclusion practices- Community investments and employee volunteer program- Social integration initiatives	<ul style="list-style-type: none">- Sustainable development policy- Environment and social risk management- Sustainable development training

Sustainable procurement affects all sectors

Across business sectors, major buyers are establishing ESG requirements for their suppliers. Here are some statements from major buyers.



Food

“We will focus on achieving our commitments, particularly regarding working conditions in our supply chain and requiring suppliers to respect our Code of Conduct for Responsible Procurement, as well as reducing our GHG emissions.”

Eric R. La Flèche, President and Chief Executive Officer, METRO, *Corporate Responsibility Report, 2022.*



Technology

“This year, we also began a complete review of our supplier due diligence processes. All of our new suppliers are now required to answer a Corporate Social Responsibility (CSR) questionnaire on their social and environmental practices. Based on the results of the questionnaire, we may ask suppliers for a more detailed assessment, with our external third-party partner EcoVadis.”

CGI, *Corporate Social Responsibility Report 2021.*



Aerospace

“...in 2021 we improved our supplier interactions to ensure that ethics, employment and environmental considerations are at the heart of our supply chain.”

Éric Martel, President and Chief Executive Officer, Bombardier, *Environmental, Social and Governance Report, 2021*



Energy

“We aim to work with suppliers who strive for sustainability in their supply chains, and we expect them to uphold the human rights, labor, health and safety, environmental and business ethics practices prescribed in our Supplier Code of Conduct, and to act in accordance with our Statement on Business Conduct, Corporate Social Responsibility Policy, Indigenous Peoples Policy and, as of 2021, our newly adopted Supplier Diversity Policy.”

Enbridge, *2021 Sustainability Report.*



Automotive

“GM’s ESG Supplier Pledge is a best practice example of how to work with suppliers and turn their ‘Everybody In’ vision into action,” said Pierre-Francois Thaler, Co-CEO of EcoVadis. “These specific and actionable targets are exactly the kind of engagement needed to accelerate their value chain towards positive impact, and to make business a force for creating a more sustainable world.”

GM News Release, April 25, 2022.

Sustainable procurement is a must

In Canada, 82% of major buyers currently require their suppliers to meet at least one ESG criterion. Of the 18% that do not, more than half (56%) plan to do so within the next two years. The proportion of major buyers that have ESG requirements for their suppliers is therefore expected to rise to 92%⁴ by 2024.

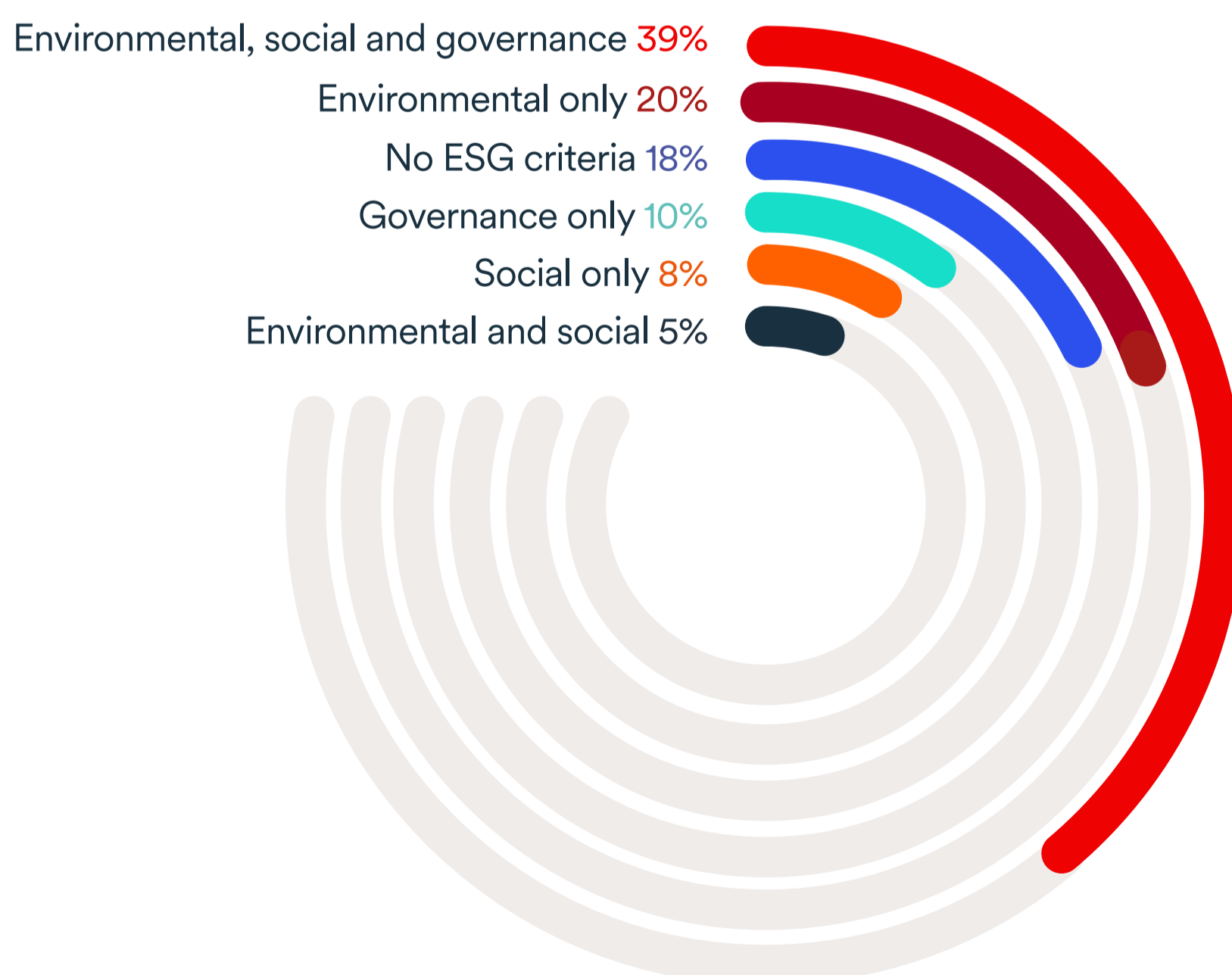
The extent of ESG requirements in procurement varies from one company to another. For instance, two out of five (39%) major buyers require compliance with criteria related to all three ESG components. However, three-quarters of major buyers (75%) plan to increase their sustainability requirements over the next five years.

Figure 1: Proportion of major buyers requiring their suppliers to report on ESG criteria



Source: BDC, Sustainability survey of major buyers, November 2022; 121 respondents.

Figure 2: Categories of ESG information being requested by major buyers





Source: BDC, Sustainability survey of major buyers, November 2022; n=121.

⁴ 82% + (56% x 18%) = 92%.

What ESG criteria are suppliers most often being asked to report on?

More than 60% of major buyers require certain criteria.

Table 2: Percentage of major buyers requesting information on ESG criteria

 Environmental	
Reduced energy consumption	68%
Environmentally responsible packaging choices	49%
Reduced raw material consumption and improved waste management	48%
Reduced greenhouse gas (GHG) emissions in shipping	43%
Reduced toxicity of emissions, waste, etc.	43%
Use of clean energy sources	37%
Formal commitments to reducing GHG emissions	33%
Reduced water consumption	33%
Ecodesign of products and services; lifecycle analysis	29%
Initiatives to improve biodiversity	25%
Use of electric or hybrid vehicles	25%
Promotion of sustainable commuting among employees	19%
 Social	
Managers or employees from diverse backgrounds (Indigenous, visible minorities, LGBTQ2+, etc.)	69%
Social integration initiatives (for people living with disabilities, etc.)	64%
Community investments	56%
Support for employee volunteering	35%
 Governance	
Procedures to manage environmental risks	70%
Support for the mental and physical health of employees	43%
Sustainable development policy	41%
Procedures to manage social risks	40%
Sustainability-related certification	38%
Sustainability training for employees	34%



DeeBee's Organics

ESG pioneer wanted to build a different flavour of business

Through her work as a PhD medical researcher in maternal-fetal toxicology, Dionne Laslo-Baker was concerned about the impacts of harmful chemicals in food on children and farmers who handle the products.

As a parent of two young kids, she had noticed a lack of organic snack options. That drove her to start DeeBee's Organics in her kitchen in Victoria, B.C., to fill the gap.

But Laslo-Baker also wanted to build a different kind of company with a deep focus on ESG issues. "My goalpost from the beginning was to be proud to tell my children this is how I built the company," she says. "This guided me; it was my North Star."

“ESG is part of our story and every conversation we have. I hope I can inspire as many people as possible.”

Dionne Laslo-Baker,
CEO and Founder,
DeeBee’s Organics

Supports employees’ charities and volunteering

Another key motivation for starting the business was to earn enough money to fund a mission by her husband Steve, who is an ophthalmologist, to travel to lower-income countries to offer treatments to save and restore vision and train medical personnel to do the same.

This inspired Laslo-Baker to also support the charitable ideas of her employees at DeeBee’s. She created an initiative she calls DreamLauncher, which donates money to charities proposed by her team. Employees also get several annual paid days off for volunteering.

DreamLauncher has supported salmon restoration in B.C., LGBTQ+ organizations and an orphanage in Honduras.

DeeBee’s is a certified B Corp and was named a “Best for the World” Changemaker in 2017 and 2018 by B Lab, the non-profit that administers B Corp certification. The award recognizes B Corps with the world’s leading ESG performance.

Long list of ESG initiatives

DeeBee’s doesn’t stop there. Its long list of other ESG initiatives include using 100% solar-powered factories; composting food waste; reusing rainwater; offering employees stock options so they can participate in the company’s financial success; and a strong commitment to employee diversity and inclusion.

The strong ESG focus is also at the heart of the company’s marketing. “We always talk about it,” Laslo-Baker says. “It’s part of every conversation we have when we’re introducing our company. We’re not just a food company. There’s so much more about what we’re doing, why we’re doing it and how we’re doing it.”



DeeBee's targets 140% growth

Customers have embraced the company—literally. “Buyers hug us at the end of our meetings,” Laslo-Baker says. ESG has played a key role in securing business with larger retailers, such as Walmart and Costco. “That’s part of our story and it helps our business,” she says.

The warm reception has translated into an extraordinary 100% annual sales growth since the company’s founding in 2013, with 140% growth targeted this year. DeeBee’s team has grown to 29 employees, with another four on contract.

As the Victoria-based company and its ESG efforts have grown, managing it all has become more of a challenge for Laslo-Baker. As it happens, an employee volunteered to take on responsibility for coordinating many of the ESG efforts.

Laslo-Baker’s future plans include moving toward plastic-free packaging and making DeeBee’s carbon neutral through emissions reductions and offsets. She also enjoys giving back to the community by mentoring female founders, investing in female-led businesses and spreading the word about ESG to inspire other business leaders.

“I love being able to share experiences so I can pass it forward,” she says. “I hope I can inspire as many people as possible.”



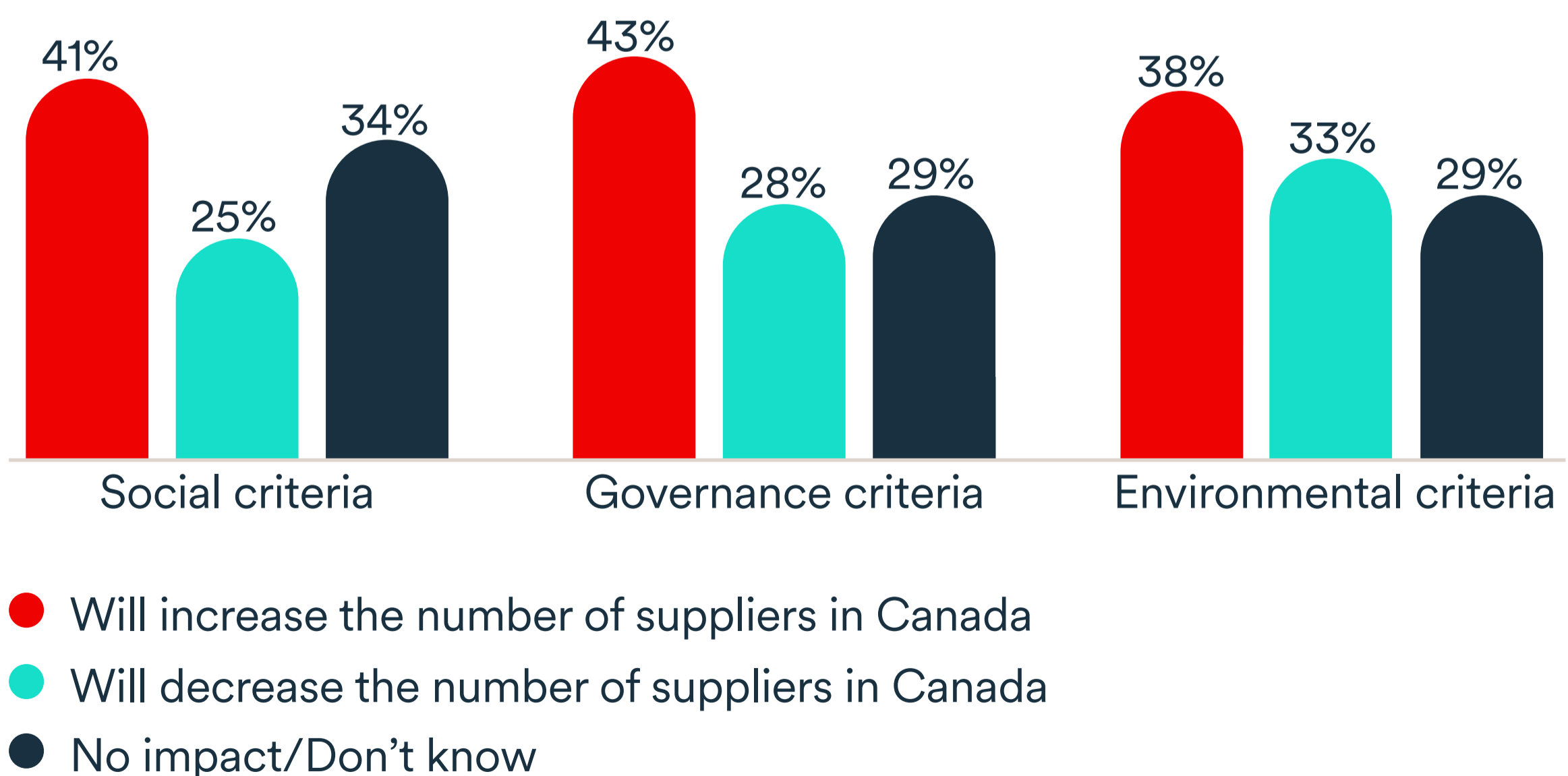
Impact on SMEs

The implementation of ESG criteria could benefit Canadian companies

The use of ESG criteria in procurement should have a positive impact on the proportion of SMEs supplying large organizations in Canada. In fact, 41% of the major buyers surveyed indicated that the application of social standards to their procurement practices will increase the use of Canadian suppliers, compared to 25% who believe the opposite. This is a positive difference of 16 percentage points in favour of Canadian companies. This positive effect can also be observed for governance and environmental standards.

For example, large companies looking to reduce their carbon footprint will surely be interested in sourcing more locally to reduce transportation distances, one of the largest sources of GHG emissions.

Figure 3: Percentage of major buyers who believe ESG criteria will increase or decrease the proportion of Canadian suppliers



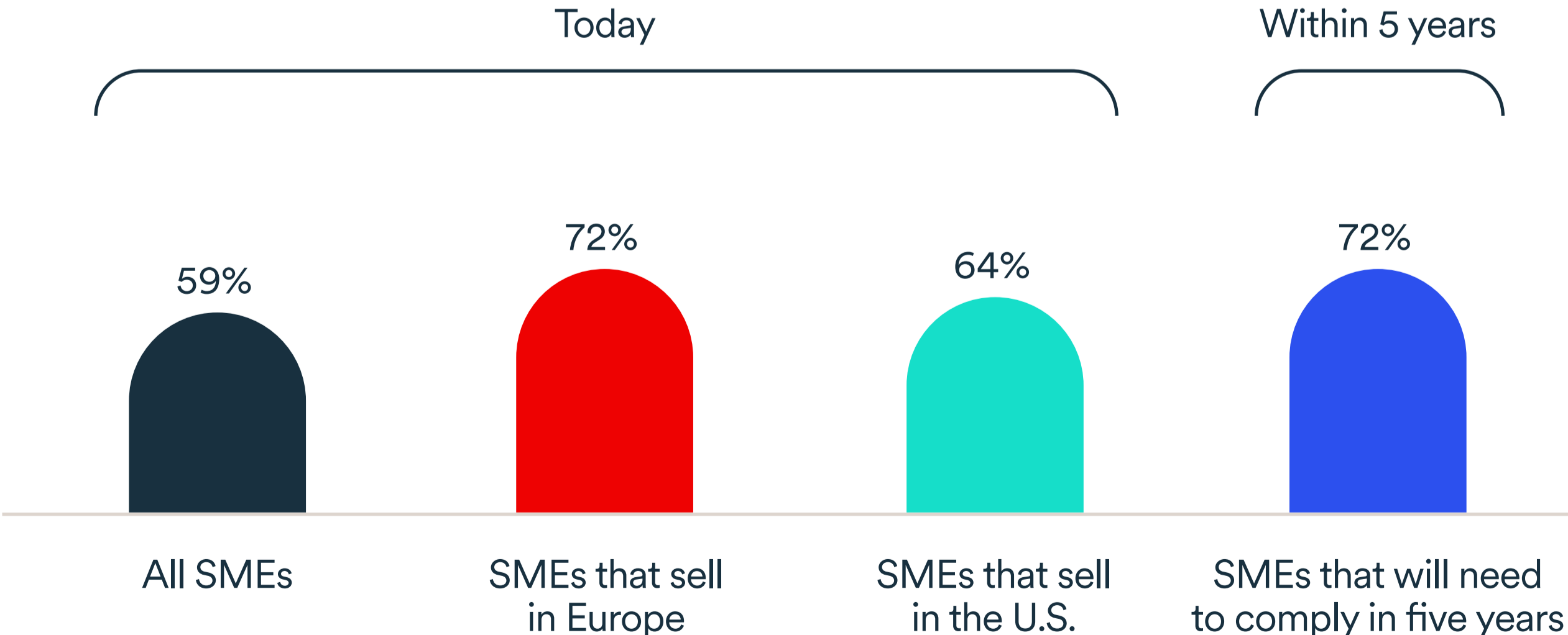
Canadian businesses plan to disclose more ESG information

Currently, 59% of SMEs that supply large organizations are required to report information on their ESG practices.

This proportion is even higher among businesses that sell outside of Canada. For example, 72% of companies selling in Europe and 64% of those selling in the U.S. currently need to report ESG information.

One-third of SMEs that do not currently need to do it believe they will have to do so within the next five years, which should result in 72%⁵ of Canadian SMEs that supply large companies being required to report information on their ESG practices. Implementing these practices helps companies differentiate themselves from competitors that offer a product or service of an equal value.

Figure 4: Proportion of suppliers who are required or will be required to disclose information on their ESG practices.



Source: BDC, Sustainability survey of SME suppliers in Canada, November 2022; n=1,251.

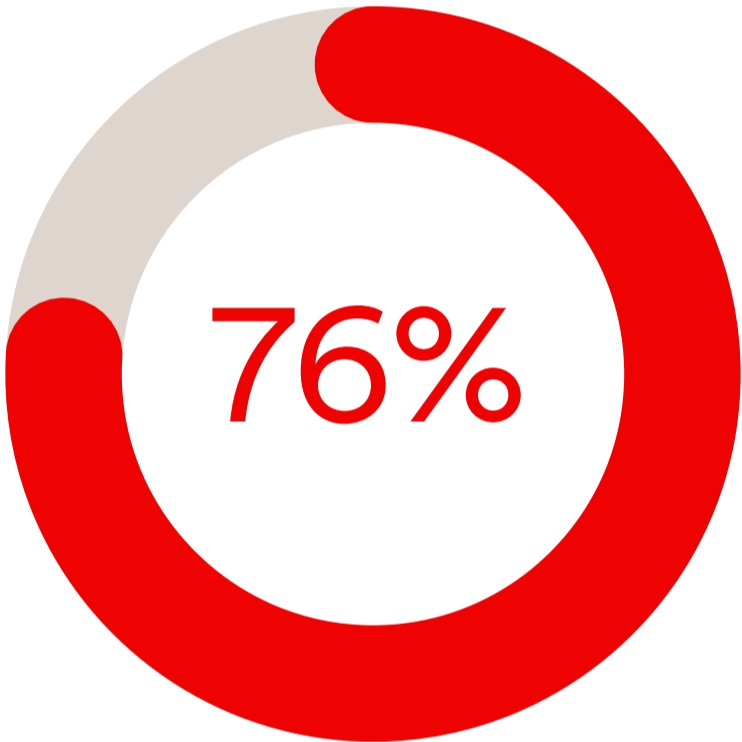
⁵ 59% + (32% x 41%) = 72%.

Entrepreneurs, especially those from diverse backgrounds, welcome ESG requirements

Three-quarters of Canadian suppliers surveyed believe adopting ESG practices will benefit their business.

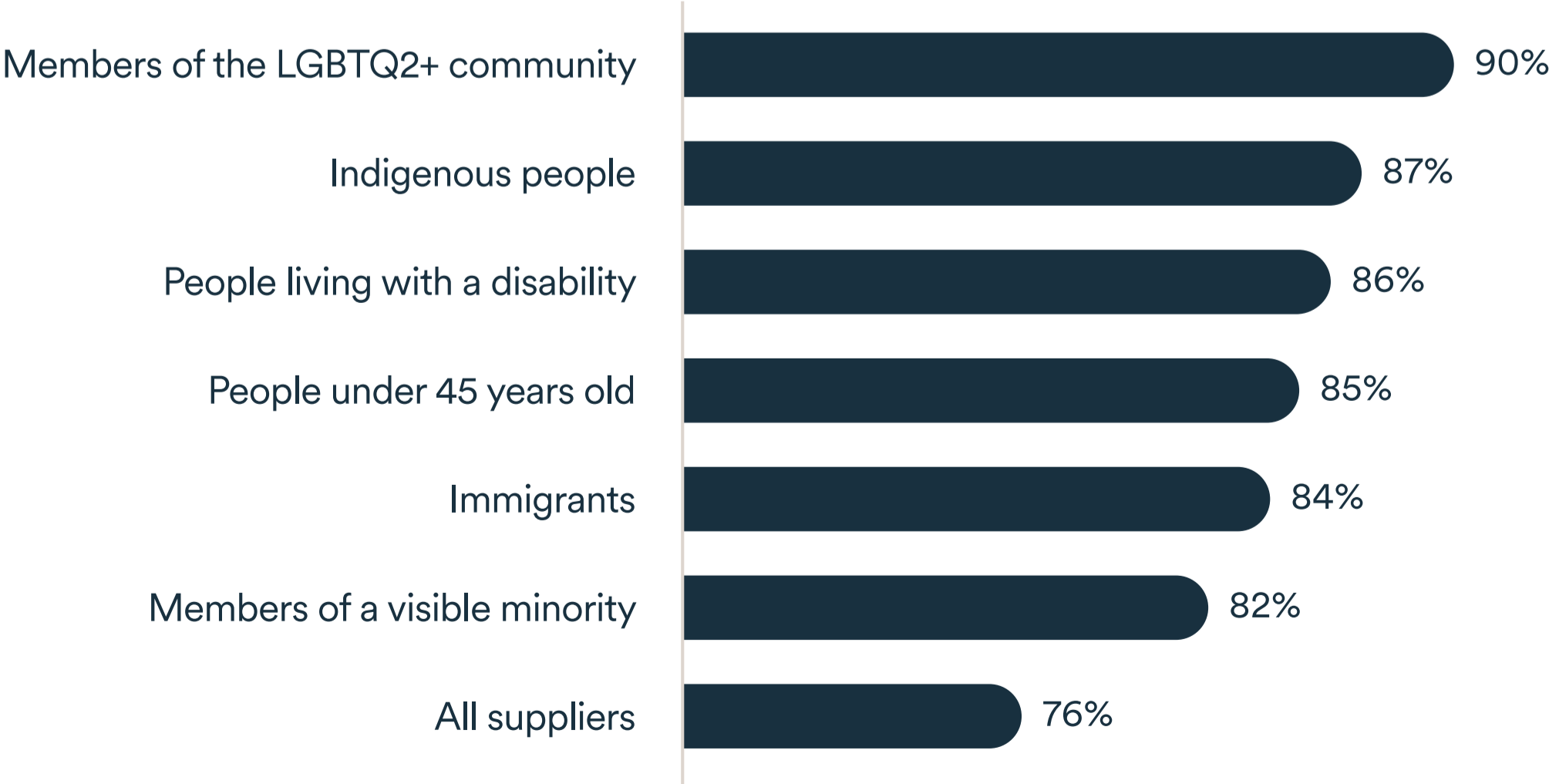
This is particularly true for entrepreneurs from diverse backgrounds. Even controlling for size, business sector and region, members of the LGBTQ2+ community, people living with a disability, people under 45 years old, members of a visible minority, immigrants and Indigenous people are more likely to say that adopting ESG practices will benefit their business.

Figure 5: Proportion of suppliers that consider it beneficial to adopt ESG practices



Source: BDC, Sustainability survey of SME suppliers in Canada, November 2022; n=1,251.

Figure 6: Entrepreneurs who consider it beneficial to adopt ESG practices



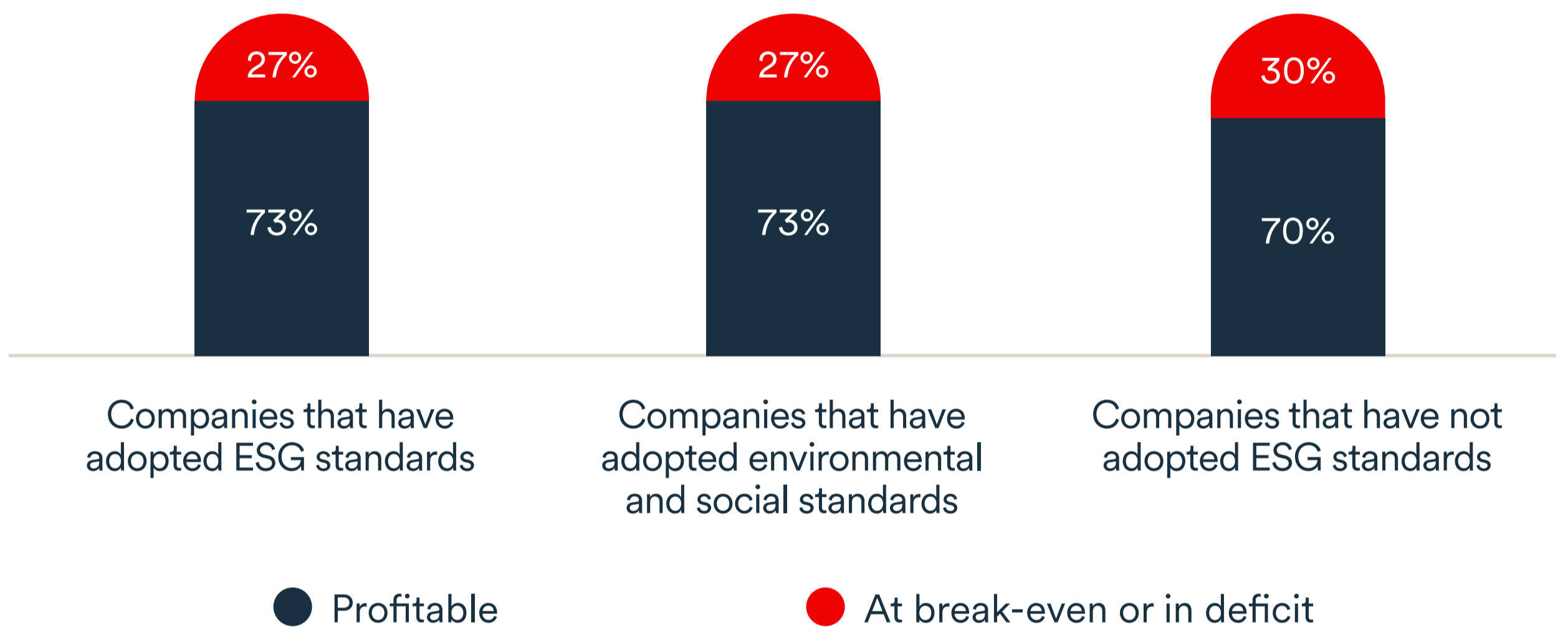
Source: BDC, Sustainability survey of SME suppliers in Canada, November 2022; n=1,251.

Adopting ESG practices has tangible benefits

As illustrated in figure 7, suppliers that have implemented ESG practices tend to be more profitable compared to those who have not, albeit by a small margin. This confirms the findings of a previous study showing that the most environmentally proactive SMEs generate higher profit margins and experience greater sales growth than those that are less proactive.⁶

Overall, the adoption of ESG standards has a positive effect. It is likely to generate new business opportunities and allow companies to eventually grow their business volume. The impact is also positive for their employees, who generally view these changes in a good light, which promotes a sense of belonging. These businesses also find it easier to access financing and investment.

Figure 7: Proportion of companies who are profitable at different levels of ESG adoption



Source: BDC, Sustainability survey of SME suppliers in Canada, November 2022; n=1,251.

Figure 8: Percentage of companies reporting advantages to meeting ESG practices



Source: BDC, Sustainability survey of SME suppliers in Canada, November 2022; n=1,251.

⁶ Sylvie Ratté, *A Transformation in Progress* (Montreal: BDC, April 2021).

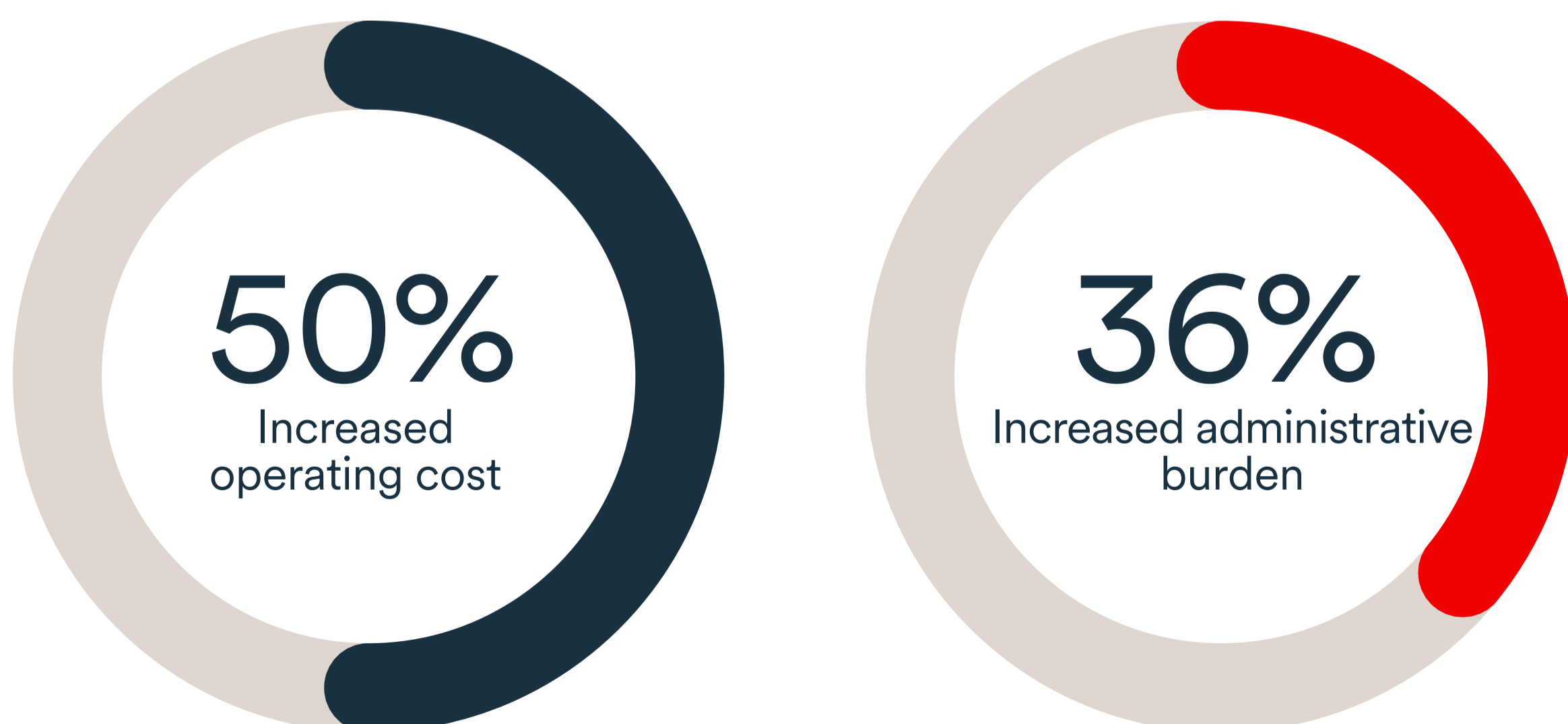
Implementing ESG criteria also has a cost

Some suppliers who meet ESG requirements express concern about the increased administrative burden and operating costs of having to meet new standards.

For example, the implementation of ESG standards can require obtaining a new certification. Businesses must then document production or service delivery processes and submit proof that they are meeting their obligations. This consumes staff time and sometimes results in external consulting fees. There are also other costs associated with obtaining and maintaining certification. However, it can still be advantageous to obtain certification, if it provides access to new clients and makes it possible to stand out in the market.

Among the measures taken to meet ESG requirements, 31% of businesses have hired a specialist and 27% have consulted with external specialists. One-quarter of suppliers have also hired external auditors to demonstrate that their practices met the standards.

Figure 9: Percentage of suppliers reporting increased costs associated with the implementation of ESG practices





NATIONS Translation Group

ESG-powered growth

The past 12 months have seen big changes at Canada's largest privately-owned translation company. NATIONS Translation Group's new CEO, André Palaguine, has steered the Indigenous-owned business through an ownership change and a restructuring and rebranding exercise to become an end-to-end language and translation service provider.

And as a major part of this transformation, Palaguine has put ESG goals at the heart of the Ottawa-based company's business strategy. NATIONS already had a number of ESG initiatives on the go. But Palaguine wanted to kick the company's ESG efforts into high gear and make them a central focus.

“We attract a lot of customers with that. ESG has opened a lot of doors.”

André Palaguine,
CEO, NATIONS Translation Group

Created ESG team and action plan

One of the first steps Palaguine put forth was to create an ESG team to help him coordinate efforts.

Together they developed an ESG policy and an action plan that included a timeline, milestones to monitor progress and a list of who was responsible for each project. Then everyone got to work implementing the plan.

One of the main initiatives is to promote economic opportunities for Canada’s Indigenous communities. This includes prioritizing contracting with Indigenous vendors and building an inclusive and diverse team. NATIONS also supports Indigenous organizations with sponsorships and donations, particularly those involving youth.

Another major area of focus is the environment. The company is pursuing a zero-waste strategy—ensuring no waste goes to landfills—and has transitioned to a paperless office, which the company estimates saves 109 trees per year. NATIONS is also reducing its carbon footprint by transitioning to renewable energy through a partnership with renewable power provider Bullfrog Power.

Showing community leadership

The business has further cut its greenhouse gas emissions by switching from using backup generators to more energy-efficient backup batteries.

Finally, Palaguine ensured that the company’s ESG focus is front and centre on the company’s redesigned website and in its marketing material. “We want to show community leadership and encourage other organizations to do the same,” he says.

All of the efforts have had a huge impact on the business. The marketplace has taken strong notice, with new customers frequently mentioning ESG as a key reason for wanting to work with NATIONS.

Initiatives contributed to 25% jump in sales

“Potential clients mention it when they approach us,” Palaguine says. “We attract a lot of customers that want to work with us as a strategic ESG partner. The appetite has really grown to do business with us. ESG has opened a lot of doors.”

Sales in the past 12 months have shot up 25%, thanks in no small part to ESG, Palaguine says. He cites a large contract with a manufacturing company that was seeking an Indigenous-owned supplier with a solid ESG program. NATIONS also won a prestigious contract to translate the address of a prominent international figure visiting Canada into 34 Indigenous languages.

“There is a lot more awareness and appetite for ESG among clients,” Palaguine says. “It’s important for every company to ensure it is ESG-compliant.”

Improved margins and 12% reduction in costs

Another benefit: lower costs and improved margins. The various ESG initiatives have contributed to a 12% reduction in the company’s costs, Palaguine says.

But the ESG focus wasn’t without challenges. Going paperless meant changing processes without losing information or disrupting work. To switch to backup batteries, Palaguine created a risk management committee and worked closely with his team on the transition. Improving vendor diversity involved a process to vet new vendors.

To smooth these changes, Palaguine says he prioritized good communication and change management to discuss projects, ensure buy-in and make any needed course corrections. Business unit heads responsible for projects monitored progress and worked out how to move forward. “It’s important to make sure all stakeholders are on board,” he says.

Improved customer and employee relationships

Focusing on ESG has been such an unvarnished success for NATIONS that the company’s partners have taken notice—and are asking for advice on how to proceed with their own efforts. That’s even led to a new business line of offering consultation services on how to plan and implement ESG. “They want to know how we achieved this,” Palaguine says.

Overall, he says, ESG has invigorated the company, made it stronger, and allowed it to give back and contribute to a better world. “ESG has helped us develop stronger, better relationships with customers. Our employees are more engaged.

And diversifying vendors has opened new possibilities for business,” he says.

“Every company should be doing this. It’s a powerful business strategy, and we feel that it’s our responsibility to our community and the planet.”

How to implement a sustainability program and improve your ESG performance

Though there are many ways to kick start a company's sustainability program, here are a few tips to help

1. Set up a governance structure

- Identify key people in your organization who can carry out your project. These individuals must report to management, demonstrate leadership and make a formal commitment to achieving the company's goals.
- Find out what your customers' current and future requirements are.
- Identify resources or organizations in your region that could support your efforts.

2. Evaluate your company's biggest sustainability issues

- Evaluate the most important ESG impacts of your business. This includes the impacts caused by your supply chain, your operations, and your products and services. The [B Impact Assessment](#) is a good place to start determining your environmental and social impact.
- Ask your most important stakeholders—usually customers, employees and your local community—what issues matter most to them.
- Complete a materiality assessment to prioritize sustainability issues that you should address.

Assess the economic, social and environmental impacts of your business

Even if no certification is required, obtaining one is a way to prove that your business is truly taking action for sustainable development. One example of this is B Corp certification.

Complete the free B Impact Assessment to gain a better understanding of your company's impact on your employees, your customers, your community and the environment.

[Start your assessment](#)

3. Explore the range of actions you can take to improve

- Examine all business functions—from purchasing, to production, through to marketing—to identify opportunities to improve your social and environmental performance, ideally while also improving your company’s economic performance.
- Survey your staff to gather their ideas and increase their participation in your improvement projects.
- Take inspiration from what your competitors are doing.
- Look at your suppliers to find out what they are doing, and to see how they can help.

4. Create your plan and act

- Set simple and measurable objectives. Identify relatively easy goals that you can achieve in the short term and more complex ones for the longer term.
- List specific actions or projects needed to meet the sustainability objectives. Who will be responsible and what resources will you allocate? Identify the human and financial resources you need to carry out your plan.
- Identify the key performance indicators to measure your performance. For example, do you know your company’s GHG emissions or the satisfaction level of your staff?
- Make sure your suppliers are aware of and meet your expectations.

5. Perfect your approach

- Schedule regular meetings with your team to review progress.
- Continually identify new projects to carry out over time.
- Solicit feedback from your customers.
- Ensure that sustainability principles are integrated into your corporate culture.
- Consult with experts in the field who can help you adopt best practices.
- Communicate your aspirations and achievements externally (on your website and in your corporate documents) and internally (in team meetings and internal communications). Remember to do this in job postings as well. Many potential employees may be attracted by your environmental and social initiatives.
- Be authentic, accurate and transparent in your communication so you do not risk being accused of greenwashing (false advertising), as it could damage your brand.

Go further with specific certifications

Calls for tenders often require bidders to hold a specific certification.

Environmental certifications

- The standard ISO 14001 for environmental management systems applies to all business sectors, although it is most often used in manufacturing. This certification provides a framework for companies or organizations that want to implement an effective environmental management system.
- LEED® certification (Leadership in Energy and Environmental Design) is very popular for buildings. It is an international mark of excellence for sustainable buildings. BREEAM, ENERGY STAR and BOMA Best certifications are also popular in this sector. Find out if your business is located in a shared building; certifications may already be available or in the process of being obtained.
- In the manufacturing sector, in addition to the ISO 14001 standard, some calls for tenders require the ISO 20400 standard for sustainable procurement. This standard encourages companies to consider social and environmental issues in their supply chain and procurement processes.
- For paper procurement, Forest Stewardship Council (FSC) Forest Management Certification is commonly required. This certification ensures that the material or product comes from verified, responsible sources that have met FSC's stringent environmental and social requirements.
- ECOLOGO certification applies to household cleaning products. This certification helps consumers recognize environmentally friendly products and services.

Diversity certifications

In diversity certification, an organization applies to a third-party certification agency to validate its ownership. This informs a major contractor (such as BDC) that the company is in fact 51% owned and controlled by people from diverse communities. For companies, obtaining this certification can also provide opportunities to participate in networking activities with other certified companies, training and learning events, conferences, and meet-the-buyer events.

Diversity certification agencies active in Canada include:

- WBE Canada
- WEConnect International
- The Canadian Aboriginal and Minority Supplier Council
- The Canadian Council for Aboriginal Business
- Canada's LGBT+ Chamber of Commerce
- The Inclusive Workplace and Supply Council of Canada

ESG certification for suppliers

Some certifications are directly related to sustainable procurement. Here are some examples:

- **EcoVadis:**
This organization provides business sustainability ratings. It can be obtained through the use of a platform used by large organizations to invite their suppliers to undergo an assessment and thus encourage improved practices in terms of ESG issues. The EcoVadis rating then provides the requesting company with a reliable assessment of your company's corporate social responsibility performance.
- **B Corp:**
This certifies that a company has a positive environmental, social and economic impact. Obtaining it will set you apart and show that you are doing due diligence on your business. It will also help you show your customers that you are serious and deepen your relationship with them.
- **General Society of Surveillance (SGS):**
This organization, based in Geneva, is a testing, inspection and certification company. It is recognized as a global benchmark for sustainability, quality and integrity.

Methodology

This study is based on two BDC surveys conducted online between October 24 and November 4, 2022.

The first survey reached 121 large companies or public-sector organizations that source from Canadian SMEs.

The second survey was conducted among 1,251 SMEs that supply large private- or public-sector contractors in Canada.

The results of these two surveys were not weighted, because the weighting factors are unknown for the populations we surveyed. However, we ensured that the data collected were representative by region and by number of employees to reflect the entire Canadian business population.

We also interviewed people who develop procurement policies related to sustainability standards at about 10 large private- and public-sector contractors.

Lastly, we conducted econometric analyses to control for size, region and business sector to determine whether responses still differed by entrepreneur characteristics.



Improve your ESG performance

- ➔ Explore our advisory services for obtaining certifications.
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