Corporate Sustainability Distinctions, Transitions and Perceptions: A Look to Canada’s Big Five Banks

by

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Department of Geography and Planning
University of Toronto

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Abstract

Corporate sustainability (CS) is becoming increasingly mistaken for or confused with corporate social responsibility (CSR). Literature in recent years has identified this muddied area and argues for further clarity. Clarifying this confusion and understanding the fundamentals of CS can help to ensure companies implement sustainable strategies that are beneficial for current and future generations, while also ensuring resiliency and long-term success. With the creation of a theoretical framework that sets CS and CSR apart, this research emphasizes the importance of sustainability within business and explores Canada’s Big Five banks as its case study. Through the analysis of 75 past and present reports (2002-2018), as well as interviews with employees of all five companies, the ways in which sustainability and social responsibility are perceived and implemented is investigated. Findings demonstrate clear shifts beyond CSR towards greater focus on CS within Big Five operations, allowing for lessons to be learned across sectors.
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Chapter 1
Introduction

The sustainability of business activities and their impact on the environment, society and the economy has become an increasingly analyzed area, both within academia and the business world itself. From multi-national and large-scale corporations to smaller, family-run businesses, each company plays a role in either encouraging or hindering the development of these three dimensions. It begs the long-standing question of what role do companies hold within these spaces and how should they position themselves in the larger context. Discussions surrounding what functions a business chooses to carry out are continually evolving, contributing to how they affect the interconnected system of economics, communities, and the natural environment. Ideas such as “social responsibility” and “sustainability” have therefore become well-known concepts within the realm of business. It seems well accepted that companies must continue to broaden their outlooks to understand just how much of an impact their operations have on various domains. However, how this should be done - and how social responsibility and sustainability should be applied - within a given business still lacks consensus. A socially responsible company is increasingly expected by its stakeholders, however, we see an ongoing shift from the focus on social responsibility to sustainability, as the emphasis placed on the importance of sustainability and sustainable development continues to gain traction worldwide.

1.1. Background and Research Problem

In today’s current context, the term “sustainability” has become something of a buzz word (Schaltegger & Burritt, 2010). With the rise of climate change and the increasing amount of attention being paid to the impacts on the planet, as well as many global human rights concerns, the suggestion that we must look beyond short-term gains and take ownership of our actions with a long-term outlook was introduced (Foulon, Lanoie & Laplante, 2002). With time, this viewpoint has permeated the corporate world and is increasingly being discussed from the company perspective. There is strong evidence to demonstrate that the notion of sustainability has become relevant in this sphere due to both external and internal factors (Linnenluecke & Griffiths, 2010; Zwetsloot & van Marrewijk, 2004).
Amongst corporate actors, undertaking actions which go above and beyond every day activities is not a new concept, in fact the idea of corporate philanthropy has been around for decades. In the mid-twentieth century we began to see the evolution of business and its role in society shift. This was a movement from solely focusing on the bottom-line to discussions around corporate ethics and philanthropy. Philanthropy in the corporate realm then continued to evolve into what is commonly known as corporate social responsibility (CSR) (Carroll, 2008). At the core of this concept was that business, without a sense of moral and social responsibility, cannot be truly sustainable (Elkington, 1994; 1998). However, in this sense, sustainable was conceived more as the sustainability – or long-term continuation - of a company at a certain level, and not global sustainability as we think of it today. Transitions in corporate ethics have continued to take place, and now many businesses are looking to become more holistic in their considerations with ideas of sustainable development and corporate sustainability (CS) becoming more common. Within the corporate world, the ideas and fundamental elements driving sustainability – the balancing of environmental, social, and economic concerns - have the ability to create impactful changes in the ways business is done and in turn how business impacts society and the environment. Yet, the ways in which sustainability is perceived and implemented within businesses is not always entirely clear. If we are to suggest that all businesses adopt a sustainability lens for operation, it is important to understand their perceptions of this framework and ways which further action can be encouraged.

In order to be able to draw out conclusions about how the corporate world interprets and applies the concepts of CSR and CS, an understudied yet significant part of the Canadian economy was chosen as this project’s case study. Canada’s banking sector, more specifically Canada’s five largest banks, are the focus of this inquiry. Most commonly known as the “Big Five”, this cluster of companies includes the Bank of Montreal (BMO), the Canadian Imperial Bank of Commerce (CIBC), the Royal Bank of Canada (RBC), the Bank of Nova Scotia (Scotiabank or Scotia) and the Toronto-Dominion Bank (TD). With vast geographic reach and economic impact, examining the Big Five allows for the perceptions of CSR and CS, as well as the evolution of sustainability transitions in the corporate world, to be better understood.

Corporate social responsibility is a long-standing term emerging out of the American corporate world and corporate literature in the 1950s (Bowen, 1953) and it has been the focus of much academic study (Carroll, 1999; 2008). The notions of “sustainability” and “sustainable
development” have more recently become prevalent worldwide. Since 1987 and the release of the Brundtland Report, these two ideals have become progressively integrated within our everyday lives and continue to be discussed and incorporated within many different fields – academia, business, society, science and so on. What has become an oft-cited definition regarding sustainable development emerged from Bruntland and is as follows: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (Brundtland Commission, 1987). This is the foundation of the concept of corporate sustainability.

Since Bruntland, the phrase “corporate sustainability” has emerged and is increasingly receiving more attention. Yet it is interesting to note that in many articles, corporate social responsibility and corporate sustainability are used interchangeably (Aras & Crowther, 2009; Bansal & DesJardine, 2014). The major challenge we are faced with in terms of getting to the place where sustainability is the norm for business considerations, is the need for a better understanding of how (or if) corporate actors are perceiving and engaging in CSR or CS actions. Gaps are seen in the literature whereby much of the research being done looks to either sustainability within business or social responsibility, with less being done to truly distinguish between the two on a practical level. One of the goals of this thesis is to clarify some of the confusion between CSR and CS as we know the terms are very much muddled (Bansal & DesJardine, 2014). This inconsistency leads to confusion in both academic and corporate worlds and the lack of clarity can hinder companies in making sustainable business decisions. Given the significant impact the corporate world has on society and the environment, it is important to understand what they are doing, why they are doing it, and how they could be doing it better. Therefore, acknowledging the need for businesses to become more sustainable, we must work to continually clarify what CS looks like, and how it differs from CSR.

For the purposes of this research, CS will come to be understood as a corporate strategy that can be applied to all lines of business, one that fosters purpose-driven work in all aspects of a company. CSR on the other hand represents a singular line of business with a more narrowed focus. CS and CSR should both be present within a company - CSR as the more philanthropic-leaning and socially-focused arm and CS as a lens to be applied to the entirety of a company, including CSR initiatives. Such CSR acts include volunteering and sponsorships, while CS looks at making supply chains, daily operations, personal footprints, and so forth, more sustainable.
1.2. Research Questions and Objectives

1.2.1. Research Questions

While much attention continues to be paid to corporate sustainability and corporate social responsibility, very little research has been done to identify and outline the fundamental differences between them. Further, to the best of the researcher’s knowledge, no recent research exists that investigates the way that the banking industry in Canada currently perceives and implements sustainability within their operations and how they understand CSR to differ. As such, the following questions underpin this thesis research:

1. What are the key distinctions between corporate sustainability and corporate social responsibility?

2. How do the Big Five Canadian banks currently perceive and implement sustainability in their operations and how can these insights foster the creation of future sustainability strategies, policies and incentives in other sectors and by government?

The first research question aims to create greater clarity when defining and subsequently applying corporate sustainability and corporate social responsibility in the business context. This question addresses the growing confusion about what exactly sustainability looks like, and how it would ideally be applied within business. As this topic becomes more widespread and commonly discussed within literature and business, it is important for all involved to understand how to conduct operations sustainably. Within the academic sphere, the literature consistently uses these terms, but lacks consensus on how they can be differentiated from one another, therefore there remains a need for further clarifications.

The second research question allows for an examination of sustainability and social responsibility within Canada’s banking sector. Understanding these business transitions within the Canadian fabric poses as a learning opportunity for businesses, governments and academia. The value behind this direction of inquiry lies again in the importance of embedding sustainability within business. Gaining a better understanding of how five of Canada’s largest companies perceive, and therefore implement, CS and CSR provides greater insights for all businesses, as well as helping to create a clearer picture of how sustainability is unfolding in current-day operations. As long-standing Canadian companies, an examination of the Big Five
will also help to demonstrate the transitions businesses may take, from CSR initiatives to evolving their CS strategies to become more holistic and sustainable. In turn, this benefits the resiliency and longevity of their business, while also ensuring a more sustainable system for the future.

Ultimately, the overall aim of this research is to shed light on these understudied discourses with the hope it can be of use to academics, as well as to other companies, sectors and governments. A greater understanding of sustainability and social responsibility in conjunction with an analysis of past and current corporate initiatives taken on behalf of Canada’s Big Five banks, provides further clarity in an area where we see increasing confusion. These questions serve as the point of departure and discussion when framing and conducting this research and will be referred back to throughout the thesis in order to guide each research stage.

1.2.2. Research Objectives

In order to comprehensively answer the two main research questions of this thesis, there are a number of objectives that must be addressed, including to:

1. Further the understanding about the distinctions between corporate sustainability and corporate social responsibility in order to clarify their meanings and application, both within academic and corporate spheres;

2. Analyze the way Canada’s five largest banks perceive and implement sustainable strategies and how they understand sustainability to differ from social responsibility; and

3. Investigate and identify areas where lessons can be learned for government and other industries about the implementation and perceptions of corporate sustainability.

In order to achieve objective one, a framework comparing CS and CSR is created and is necessary to answer research question one. It also allows for objectives two and three to be undertaken. Completing objective one requires an in-depth review of past and current literature and research in the fields of business, management, economics, and environmental studies in order to analyse and differentiate the characteristics of CS and CSR.
Objectives two and three are necessary to answer research question two. Objective two takes the framework created in objective one and applies it to the Canadian banking sector, with a focus on the Big Five banks – BMO, CIBC, RBC, Scotiabank and TD. The objective at this stage of the research is to uncover how CS and CSR are differentiated within company frameworks and practices. This is done through a comprehensive analysis of reporting documents (namely CS, CSR, and other annual accountability reports) followed by semi-structured interviews with employees of each of the banks. This portion of the research also seeks to reveal more about how CS and CSR are perceived and understood in current business contexts and provides empirical support for the researcher-created theoretical framework. This phase also aims to identify and understand any sustainability transitions within the sector. In addition, through this review and interview process, an investigation is made regarding whether government is, or could be, influencing CS or CSR practices.

Achieving objective three can only take place once the first two objectives have been completed, analysed, and discussed. Implementing truly sustainable strategies that fit the nature of a particular business necessitates both understanding what it means to operate sustainably (objective one) and how these strategies are currently implemented and perceived within businesses (objective two). Potential regulatory requirements, policies and incentives for businesses to conduct themselves in a sustainable way is a topic of interest when gaining insights from the Big Five, particularly in the interview phase. Comparing these findings with current reporting requirements also assists in the achievement of objective three.

1.3. Thesis Structure

Chapter 2 begins with a review of the relevant literature– tracing the evolution of responsibility, sustainability, sustainable development, and the notions of businesses going beyond the bottom line and thinking about “doing more” and “doing good”. This chapter also presents the researcher’s contribution to clarifying the corporate sustainability-corporate social responsibility confusion with a theoretical framework. This framework outlines and describes the distinctive features that set sustainability in the business world apart from social responsibility. In particular it highlights four criteria – timeframe, participation, focus area and perception/motivation. The importance behind understanding these distinctions and implementing both CS and CSR within business is also discussed.
Chapter 3 outlines the methodology used in this research. It also presents and provides a justification for the project’s case study - Canada’s Big Five banks. These companies present a unique cluster of businesses for a variety of geographic, economic, social, environmental and academic reasons. The rationale behind analyzing and interviewing the Big Five is provided, alongside a brief overview of the researcher’s positionality when approaching this work.

Chapter 4 contains the findings from the analysis of the Big Five’s annual bank reports against the theoretical framework presented in Chapter 2. This chapter also includes the results of the corporate interviews conducted which speak to and further detail the trends seen within the Big Five and their reporting. These trends include increasing acknowledgement of long-term outlooks and implications, thorough demonstration of stakeholder participation, a greater consideration for environmental and social risks associated with financing, and the understanding of sustainability as business strategy. Support for the distinctions presented in the CS vs. CSR theoretical framework is also present in this chapter. Other findings and trends identified in interviews are also detailed, such as the swift uptake of the Sustainable Development Goals (SDGs), express mention for greater reporting framework consistency and advice from sustainability professionals for integrating sustainable strategies.

Chapter 5 discusses the important contributions and implications of the research findings, which are both theoretical and practical in nature. Alongside this discussion is also the comparison between what is being seen in the academic literature versus in practice within current company operations. This relationship, between academia and practice, is highlighted and this research urges a continued focus on strengthening this connection. Recommendations are made for government as well as for other industries on ways to further encourage and integrate sustainability in operations.

Chapter 6 is the concluding chapter and provides a summary of the key findings and conclusions of this work. This section argues for the importance of the distinction between CS and CSR, as well as why these two terms must not be confused moving forward. The limitations of this study, as well as the recommendations for areas of future research, are presented in this chapter.
Chapter 2
Corporate Sustainability vs. Corporate Social Responsibility: A Review of the Literature and The Creation of a Theoretical Framework

2.1. Introduction

The nature and history of corporate sustainability (CS) and corporate social responsibility (CSR) emerged out of varying spaces and yet we see present day convergence and confusion. The importance in clarifying this misunderstanding cannot be overstated as the world at large is increasingly focusing on transitions to sustainability. With a historical overview of corporate ethics and philanthropy, this chapter begins by discussing these concepts to provide a foundation for understanding the current corporate context. This is then followed by exploring the backgrounds of social responsibility and sustainability, which at their outset, served as new ideas for thinking about what the purpose and functions of business are. It is here where the historical contexts of sustainability and social responsibility are discussed. The latter portion of this chapter presents the researcher-created CS vs. CSR framework that can be used to understand the intricacies and nuances of these two lenses that are often used in the corporate world. Formulated by way of an extensive literature analysis, this framework presents a new way for understanding CS against the more long-standing ideas of CSR. In doing so, the distinctions that set CS and CSR apart are presented and highlight the importance of business transitions towards sustainability. This framework is the foundation for the remainder of the analysis performed in this thesis.

2.2. Corporate Ethics and Philanthropy

The evolving perspectives regarding the roles corporations can play in society and the accountability they should bear can be understood when analyzing the history of corporate ethics and the development of corporate philanthropy. Beginning in the mid-to-late 1800s, at the time of the Industrial Revolution, emerging businesses began gaining concern for employees and looking for ways to encourage more productive work (Carroll, 2008). However, it was difficult to differentiate whether or not these concerns were driven by business or social motivations – an issue that still arises today. The emerging criticisms of the factory systems stemming out of
1800s Great Britain and America demonstrated how reformers perceived these systems to be the source of social issues such as labour unrest, poverty and slums (Wren, 2005). Therefore, Wren (2005) understands the industrial betterment or welfare movement at the time as a combination of humanitarianism, philanthropy and business sense. It was at this point in history where both business and social motives became apparent, though whether or not the betterment of company workers was becoming pervasive for company or social motives, is something that cannot decisively be answered.

In the late 1800s the idea of philanthropy began to appear more clearly (Carroll, 2008). Again, Wren (2005) notes that generosity was seen in many early business leaders through charitable giving to community projects. And yet, corporate philanthropy was often perceived in a negative light as business giving away assets without stockholder approval (Muirhead, 1999). Legal implications began to arise where stakeholders claimed that charity had no place in business, and that company money should be spent only to carry on business (Wren, 2005). Contributions were increasingly becoming restricted by law, limiting the causes that businesses could contribute to, to those that benefitted the company directly. Despite these developments, individual businessmen and entrepreneurs continued to provide communities with their own money to support various social causes (Heald, 1970).

The light cast on corporate contributions to society continued to evolve and vary over time. Moving into the 1900s, the mass unemployment and business failures due to the Great Depression led to a new wave of perspectives with regards to the relationships between business and society (Carroll, 2008). In the 1920s and 30s, balance emerged whereby corporate managers were seen to be taking on responsibilities for stockholders and for competing claims from customers, employees and the community (Hay & Gray, 1974). Beginning in the 1930s to present-day, the so-called ‘corporate period’ emerged whereby companies were increasingly becoming seen as institutions much like governments, and thus had social obligations to fulfill (Eberstadt, 1973). Despite this growing sentiment, the latter half of the 1900s still brought with it continued debate surrounding the social obligations tied to company roles. In the 1970s, economist Milton Friedman claimed that the most important social responsibility of the firm was profit maximization for shareholders (Friedman, 1970). Since this time, a number of contrasting perspectives have been argued, most of which tie themselves to the concept of CSR and the inextricable link between business and society. With this, we see the histories of corporate ethics,
philanthropy and social responsibility also as linked. This evolution will be further explored in the following sections that detail the history of CSR and CS more specifically.

2.3. New Ideas of the Corporate Capacity

The integration of ethics and philanthropy into business has led to the creation of new ideas of corporate accountability and duty that remain prevalent today. No longer is the presence of ethics within business conduct up for debate. Rather, what can be seen are growing conversations around the social responsibilities of business, and the ways in which sustainability can be seen to have developed within the corporate world.

CS and CSR began as two distinct terms emerging with quite different areas of focus. Corporate sustainability stemmed from the origins of sustainability and sustainable development in the late 1980s and possess undertones of environmental focus and forward-looking implications, actions and impact (Van Marrewijk, 2003; Mebratu, 1998). In contrast, the construct of corporate social responsibility began in the 1950s and emerged out of the business realm (van Marrewijk, 2003; Carroll, 1999). Rather than this distinction remaining clear, what we have seen is an evolution of language that has brought about confusion and has slowly led to these terms being used interchangeably.

On one hand, the convergence of these two terms has allowed for simplification of discussion both within academic literature as well as corporate reporting, however, it can also have a number of unintended consequences. Such consequences can be seen taking the form of future inadvertent environmental degradation, greater burdens being placed on communities or society, or a company’s inability to react to external factors due in part to a lack of resiliency (Bansal & DesJardine, 2015). Sustainability demands a balance between social, economic and environmental elements with a specific emphasis on long-term design and impact (WCED, 1987). These broader and more holistic considerations cannot be seen within the frameworks of CSR, nor are they required (Bansal & DesJardine, 2014). While addressing the economic, environmental, and societal outcomes of business operations is desirable, the interconnected and complex nature of these systems must be acknowledged. In particular, the considerations demanded by corporate sustainability pose a number of challenges for businesses. However, the interconnectedness of these systems also highlights the importance of addressing unintended consequences if all aspects are not taken into consideration simultaneously.
It is important to note throughout this chapter, and the entirety of this work, that the aim is not to have corporate sustainability supersede corporate social responsibility, but rather to highlight and make clear their differences, and understand the importance of implementing sustainability within business in addition to CSR as companies evolve. By distinguishing these different constructs, in a theoretical framework, clarification will be provided for companies, governments and individuals to better comprehend these initiatives and be better able to implement both sustainable and socially responsible initiatives.

2.3.1. Corporate Social Responsibility (CSR): A Historical Context

As the expectations regarding a business’s obligations to society evolved, CSR became more commonly incorporated into business practice. No longer is it seen to be enough for a company to offer goods, services and opportunities for employment, but the expectation is that it should also be supporting the communities it works within (Bartol et al., 2011). Further, studies have shown that the incorporation of CSR practices within a company results in increased motivation and satisfaction within employees of such companies, despite feeling as though they are not personally benefitting (Balakrishnan et al., 2011; Glavas & Kelley, 2014; Raub & Blunschi, 2014). This provides a boost to the morale and corporate culture of an organization.

With its foundations already laid out in the previously discussed history of ethics and philanthropy within business, it is important to remember that CSR became a part of the business decision-making conversation in the mid-twentieth century, particularly in the United States (Carroll, 1999). Deemed the modern-era of social responsibility, 1953 saw the publication of Social Responsibilities of the Businessman by Howard R. Bowen. This book understood the several hundred largest businesses as vital centers of power and decision making (Bowen, 1953; Carroll, 1999) and that the actions of these companies had enormous reach, touching the lives of citizens in a number of ways. It is here where an initial definition for social responsibility emerged as something which: “[r]efers to the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.” (Bowen, 1953, pg. 6). As the first work of its kind, Bowen’s book marks the commencement of modern, focused discussion on the topic of CSR.

The 1960s saw an expansion in the literature on CSR, marking a growth in interest and attempts to more accurately define and understand CSR (Carroll, 1999). The view that companies should
take into account more than direct economic interests remains a persistent theme, focusing on responsibilities to the whole social system, extending beyond economic and legal obligations (Davis, 1960, 1967; McGuire, 1963; Walton, 1967). It was during this period that the voluntary nature behind CSR emerged in the literature (Walton, 1967). The 1970s saw an even greater proliferation of work in the CSR space, both in terms of definitional focus as well as research and how the concept had evolved (Heald, 1970; Johnson, 1971; Committee for Economic Development, 1971; Steiner, 1971; Manne & Wallich, 1972; Davis, 1973; Eilbert & Parket, 1973; Eells & Walton, 1974; Backman, 1975; Preston & Post, 1975; Holmes 1976; Fitch, 1976; Abbott and Monsen, 1979; Zenisek, 1979; Carroll, 1977, 1979). Davis (1973) argued that social responsibility begins where the law ends, meaning a firm is not behaving in a socially responsible manner if it is simply complying with the minimum requirements of the law.

The 1980s brought about fewer definitions, however greater amounts of research and additional themes being introduced (Carroll, 1999). Voluntarism and the obligation beyond the traditional duty to shareholders remained prevalent themes (Jones, 1980; Dalton & Cosier, 1982). Strand (1983) introduced a theme, whereby he sought to illuminate how concepts like social responsibility, social responsiveness and social responses connected to an organization-environment model. This was a new dialogue at the time within the CSR field.

From the 1990s through to the 21st century, the discussion about CSR and its incorporation within business continued (Carroll, 1999). The three focus areas of CSR which gained the most attention prior to the turn of the century were corporate ethics, stakeholder theory and corporate social performance (Carroll, 1999). The concept of corporate citizenship also began to gain greater attention. Thorough investigation and exploration into CSR was maintained into the twenty-first century (van Marrewijk, 2003; Gobbels, 2002), and it was in the early 2000s, having been previously considered too broad, yet a brilliant term for its umbrella-like nature, that CSR found itself being met with increasing questions and critique (Votaw & Sethi, 1973; Gobbels 2002). More often than not, it was being regarded as the all-encompassing remedy to solve global social ills and in some cases, environmental issues as well. With this, and the various management disciplines fitting CSR to their purpose, the concept was becoming biased towards particular interests (van Marrewijk, 2003). Arguments began to be made that the scope of CSR was too broad to be relevant for organizations and that the lack of solid foundation and consensus provided little basis for action (Banerjee, 2001; Henderson, 2001).
overlap, varying definitions and conceptual models were therefore seen as hampering academic debate, research and corporate implementation.

At present, these same arguments continue to be made and with the introduction of corporate sustainability, the overlapping ideas are increasingly problematic. Linnenluecke & Griffiths (2010) noted that some scholars use the term “corporate social responsibility” to describe social, environmental and economic concern integration. This then results in a variety of definitions and creates confusion when pursuing the implementation of CSR and CS practices within a company’s culture, strategy and operations (van Marrewijk, 2003). Ultimately, what we now see are persisting hurdles in attempting to embed these concepts, as company employees struggle to interpret and construct such initiatives (Faber et al., 2005). Therefore, the debates surrounding present day CSR continue, and are accompanied with simultaneous, and yet also somewhat subsequent, shifts in focus towards discussions around corporate sustainability.

2.3.2. Corporate Sustainability (CS): A Historical Context

The history of corporate sustainability begins with the origins of sustainability itself and can be seen to have truly emerged in the 1980s (Bansal and Song, 2017). The general concept of sustainability itself has been shaped by a variety of public, political and academic influences over time (Kidd, 1992) and continues to evolve and take shape (Linton et al., 2007). So too has corporate sustainability gone through evolutions. Beginning in the early twentieth century with the initial conservation movements and continuing into the 1960s and 1970s with the environmental and counter-technology movements, ideas similar to sustainability began to gain traction across a number of disciplines (Farvar & Milton, 1972; Daly, 1974; Ben-David, 1975). As social matters and more particularly, human rights issues, became more predominant throughout the 1980s there was also an increase in public pressure for new approaches to development and environment (Dempsey et al., 2011; Carley & Kirk; 1998).

Globally, the notion of sustainability was recognized in 1987 when the World Commission on Environment and Development (WCED), also known as the Bruntland Commission, produced a report entitled Our Common Future (WCED, 1987). Within this report the conceptual definition for sustainable development was given as, “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). From this definition, the term sustainability itself became more commonly used, distinguishing
itself from sustainable development in that it is not a tool, but a goal (UNESCO, n.d.). Sustainability can be thought of as a “paradigm for thinking about the future in which environmental, social and economic considerations are balanced in the pursuit of an improved quality of life.” (UNESCO, n.d). The environmental, social and economic elements of sustainability attempt to create a holistic framework which suggests integration within all aspects of life.

When taken up in the corporate realm, the concept of sustainability has received much attention from organizational and management literature (Linnenluecke & Griffiths, 2010; Dunphy et al., 2003; van Marrewijk, 2003; Shrivastava, 1995; Dyllick & Hockerts, 2002; Carroll, 1999;) as well as from environmental fields (Clarkson et al., 2011). Based on the broad nature of the Bruntland Report definition and in combination with the influences of strategy and management literature, subsequent and varying definitions of corporate sustainability have emerged and continue to do so (Linnenluecke & Griffiths, 2010).

Most recently, another space where the conversation surrounding sustainability and business can be seen as growing is with the creation of the United Nations Sustainable Development Goals (SDGs). Created as internationally set goals that universally apply to all, the SDGs are seeing swift uptake by nations and businesses alike since their 2016 implementation date (United Nations, n.d.). More specifically, companies are working to align their activities with the SDGs, voicing ambition to enhance the integration of the SDGs within their operations (WBCSD, 2018; Business & Sustainable Development Commission, 2017). This most recent dialogue demonstrates the growing inclusion of sustainability within business, the understanding of sustainability’s holistic nature, and acknowledgement of the importance behind the integration of sustainability within the entire global system – businesses included.

Primarily, corporate sustainability is viewed as a corporate management paradigm (Wilson, 2003). However, the elements and pillars of this paradigm evolve and vary both within the academic literature and in the way it is perceived within the business world. Many authors have attempted to discuss the relationship between these two constructs. According to Wilson (2003), corporate sustainability is underpinned by sustainable development, corporate social responsibility, stakeholder theory and corporate accountability theory. Alternatively, van Marrewijk (2003) puts forth a number of different ways to understand CS, one of which depicts
corporate social responsibility as a tool that supports corporate sustainability – thereby placing CS as the ultimate goal. He also notes the convergence of CS and CSR in this research and subsequently attempts to explain what he describes as a small, yet essential distinction that must be kept. van Marrewijk (2003) recommends CS be associated with the agency principle, with a focus on value creation, environment and human capital management. CSR on the other hand is to be associated with the communion of people and organizations, which is to say it relates to transparency, reporting, and dialogue (van Marrewijk, 2003).

Evidently, CS, much like CSR, is still met with questions regarding its definition and how it is to unfold and be applied within business. The confusion and convergence between CS and CSR can be seen in the CS literature beginning in the early 2000s and these debates continue into current publications (Keijzers, 2002, van Marrewijk, 2003; Bansal & DesJardine, 2014).

2.4. A Theoretical Framework for Classifying Sustainable and Responsible Corporate Action

The previous sections provided a look at the evolution of corporate philanthropy and how it has grown to include concepts such as sustainability and social responsibility. Given the importance of corporate actors achieving large, long-term sustainability goals, and the prevalence of CS and CSR in the literature and company documents, it is important to evaluate their similarities and differences for continued clarification and implementation of holistic, impactful initiatives and strategies. Over time, the ways in which these terms are used has evolved to a point of convergence, where often they become interchangeable. The substituting of these terms only causes additional confusion for academics, corporations, individuals and governments. In the following section, key characteristics will be identified and described so as to differentiate between these terms. This is important because it allows us to then use these criteria to evaluate if and how CS and CSR are being perceived, interpreted, and applied within corporate spaces.

The following theoretical framework has been created to highlight what sets corporate sustainability apart from corporate social responsibility. This framework was created through an extensive literature analysis where articles and reports were analyzed for longstanding trends as well as emerging themes within the sustainability and social responsibility fields. A comparison between articles, reports and books was then conducted in order to identify which of these emerging themes were mentioned most frequently and across a multitude of works. The
evolution of language and how these concepts were once distinct and slowly began to be used interchangeably became evident throughout this phase of the research. This further solidified the need for a framework that could be helpful within academia and the corporate realm.

Based upon the literature review and following analysis, four foundational criteria were identified that help differentiate between actions that are can be categorized as CS as opposed to CSR. These criteria include not only aspects related to internal workings, but also things which effect how operations impact external factors such as communities and the environment in present day, as well as into the future. Table 2.1 presents the distinctive criteria for CS and CSR and how each concept interprets them. The following sections elaborate on each criteria in turn.
Table 2.1: Corporate Sustainability vs. Corporate Social Responsibility Distinctions

<table>
<thead>
<tr>
<th>Defining Criteria</th>
<th>Corporate Sustainability</th>
<th>References</th>
<th>Corporate Social Responsibility</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participation</strong></td>
<td>Comprehensive involvement of stakeholders; Communication <em>with</em></td>
<td>Apte &amp; Sheth, 2016; Zimmermann, 2019; Hahn et al., 2015; van Marrewijk, 2003; Freeman et al., 2010; Russo, 2003</td>
<td>Limited involvement of stakeholders; Communication <em>to</em></td>
<td>Carroll, 1999; van Marrewijk, 2003; Morsing, 2006</td>
</tr>
<tr>
<td><strong>Focus Area(s)</strong></td>
<td>Environmental Focus: Included, addressed, or at a minimum acknowledged/considered in strategy</td>
<td>Apte &amp; Sheth, 2016; Montiel, 2008; Russo, 2003; Zimmermann, 2019; Sharma, 2000; Hart, 1995; Klassen &amp; McLaughlin, 1996; Egri &amp; Herman, 2000; Monsma, 2006; Bansal, 2005</td>
<td>Social and Community Focus</td>
<td>Hond, Rehbein, Bakker, &amp; Kooijmans-van Lankveld, 2014; Dahlstrud, 2008; van Marrewijk, 2003; Wood, 1991; Carroll, 1999; Monsma, 2006</td>
</tr>
<tr>
<td><strong>Perception &amp; Motivation</strong></td>
<td>Corporate strategy; Competitive advantage</td>
<td>Zimmermann, 2019; Apte &amp; Sheth, 2016; Bansal &amp; DesJardine, 2014; Russo, 2003; Monsma, 2006; Chan, 2005</td>
<td>Standard of doing business; Expectation; Norm</td>
<td>Shen &amp; Benson, 2016; Rice &amp; Peter, 2015; Montiel, 2008; Wood, 1991; Carroll, 1999; Morsing, 2006</td>
</tr>
</tbody>
</table>

2.4.1. **Timeframe**

In recent years, the notion of time within corporate spheres has become increasingly prevalent (Slawinski & Bansal, 2018; Bansal & DesJardine, 2014; Laverty, 1996). However, time has arguably always played an instrumental role within business operations, with early and recent literature focusing on the importance of time management and business success (Bridoux et al., 2013; Crossan et al., 2005; Baum & Wally, 2003; Bluedorn & Denhardt, 1988; Taylor, 1947).
From a sustainability perspective, time has an instrumental role. Historically, what set sustainability apart as a concept of development and utility is its incorporation of time (Khosla, 1995; Bansal & DesJardine, 2014; Russo, 2003). The roots of sustainability, including the Brundtland definition, makes the connection between the short and long term explicit, and highlights the importance of balance between the two. This balance can be further exemplified by the notion of intergenerational equity - which is to say that future generations have the right to live without being compromised by the actions of current generations (Brundtland Commission, 1987; United Nations General Assembly, 2013; Slawinski & Bansal, 2018). The issue of intragenerational equity is also present when considering sustainable development. Unlike intergenerational, intragenerational equity concerns itself with the opportunities within generations, therefore further highlighting the importance of balancing within and between timeframes (Hahn, et al., 2015; Okereke, 2006). Kholsa (1995) argues that by bringing the element of time into the debates surrounding environment and development, a truly uniting factor emerges and allows for strategies to be employed with the guiding foundation of time.

While this has been highlighted more generally for sustainability and sustainable development, this theory holds true at the corporate sustainability level as well (Bansal and DesJardine, 2014; Mebratu, 1998). This intertemporal issue exemplifies the tensions and importance between balancing business concerns, concerns of society, and concern for the environment. A recent study executed by Slawinski and Bansal (2018) shows business concerns as often more short-term in nature and societal concerns as more long-term oriented. These temporal tensions are keenly felt on the corporate level within the sustainability framework (Hahn et al., 2015). Yet, academics and practitioners of sustainability agree that in order to protect the needs of future generations, individuals, businesses, governments, and others must alter the way that time is valued and managed (Elkington, 1998). Examples of such considerations can be seen in a number of instances, including the investment approach taken by the Norwegian sovereign wealth funds. Unlike most countries (Canada included), royalties from natural resources are put aside for future generations and only the interest is deployed to meet the needs of current populations. Canada and others leave little for future generations, spending royalties as they accrue as they continue to exploit the wealth derived from natural resources (Norges Bank, 2018; Bansal & DesJardine, 2015). Ultimately, corporations adopting a sustainability lens to operations, must work towards finding a way to accommodate both the short-term business
priorities with the long-term societal and environmental concerns, similar to the Norwegian approach. Therefore the idea of time, specifically long-term thinking stretching beyond the current generation, is a key guiding criteria of CS.

The same emphasis on long-term timeframe is not exemplified within a corporate social responsibility framework. In fact, though a number of seminal papers on CSR discuss the various debated foundational aspects of what is considered true social responsibility at the corporate level (Wood, 1991; Carroll, 1999; van Marrewijk, 2003), timeframe or the balance between short and long-term is not discussed nor considered a pillar in these definitions. CSR initiatives in the corporate sphere typically have no timeframe, implicit or explicit (Bansal & DesJardine, 2014). Further, on the occasions where timeframe is mentioned or considered, it is short-term in nature (Bansal & DesJardine, 2014). An example of an action which demonstrates this is a one-time charitable donation. While it is beneficial for the community, a timeframe for such an act or initiative is not present, nor is the donating company assured this money will be used in a sustainable manner. And while it could be argued that charitable contributions have the capacity for long-term impact, one must ask if it is truly sustainable if it does not seek to resolve the underlying issue. In this way, the elements of CS need to be applied to CSR initiatives to ensure their sustainability.

An additional example that demonstrates the diverging perspectives on time that CS and CSR have can be seen when examining a company in the business of extracting natural resources and their relationship with community. This company could be extracting resources and compensating surrounding communities by helping to develop local infrastructure, such as the building of schools or hospitals and therefore could be considered as socially responsible. However, such initiatives do not always consider the long-term implications of such gestures such as the ongoing servicing and staffing of such infrastructural developments which can ultimately impose liabilities. Further, a CSR framework is unlikely to grapple with the long-term impacts of the extraction process itself. Therefore we can see that CSR initiatives, if not considered carefully, can become unsustainable.

It is within the discussion of time as a guiding concept where the issue of permanence can be addressed. Permanence assures that the act, initiative, donation, or the like will have a lasting impact. It can be found commonly discussed within carbon offsetting literature, whereby to be a
robust offset project source, an action and its impacts must be durable (with an assurance of long term durability) and stable (Peterson St-Laurent et al., 2017; Ruseva et al., 2017). A similar term emerging out of policy literature is the idea of persistence, which is the idea that something might persist beyond a given action (Zhao & Kling, 2003). For example, should a policy be reversed or removed, would the changes it incited continue in any way. These concepts are important to consider when business decisions, actions, and strategies are being implemented and are necessary in a CS lens.

2.4.2. Stakeholder Participation and Communication

The involvement and consideration of a business’s stakeholder groups has become progressively more important and imbedded within company operations and within the expectations of stakeholder groups (Apte & Sheth, 2016; Hahn et al., 2015). This is emphasized by the fact that the participation of stakeholders, and the communication with or to stakeholders, is a factor seen within both corporate sustainability as well as corporate social responsibility. While CS and CSR can be found to both address the importance of stakeholder communication and participation, an evaluation of these concepts shows they view stakeholder engagement in different ways. What began as a founding element of corporate social responsibility, stakeholder participation has developed even further under the lens of corporate sustainability.

The ways in which CS and CSR approach the topic emerged out of different areas (Montiel, 2008). Montiel found that CSR definitions have typically strongly integrated the stakeholder view of the firm, whereas CS, having borrowed stakeholder involvement perspectives from resource-based views, motivation theory, and institutional theory, has developed a more inclusive and diverse definition of stakeholder participation (Montiel, 2008). CS differs then from CSR in that it allows for the types of stakeholder groups to be broadened, while also considering how these groups can vary in their role and influence on and within a company.

In terms of participation, these two concepts of corporate action also differ. From a CS perspective, a holistic involvement of stakeholder groups serves as a key element in successful corporate sustainability initiatives (Hahn, et al., 2015). While there are a number of stakeholder groups that CS considers, Apte & Sheth (2016) provide a framework which identifies nine, corporate sustainability can again be set apart by looking to the environment as a silent stakeholder (Apte & Sheth, 2016). This element of the framework also highlights the importance
that CS places on moving past disclosure and transparency (van Marrewijk, 2003), to a space where corporations are directly communicating with all affected and interested stakeholder groups.

From a corporate social responsibility perspective, participation of stakeholders is arguably more limited. Though Carroll (1999) and van Marrewijk (2003), both well respected scholars in the CSR area, make note of stakeholder involvement within their research, the fact that much CS discussion is around ‘increasing’ involvement or ‘holistic engagement’ suggests that previous stakeholder participation was more limited. Using this justification, the framework argues that CSR focuses on the communication to stakeholders rather than communication with stakeholders – the latter being a reciprocal and on-going system. From this perspective, CSR requires a responsibility towards society and social systems. However, the more complex participation of stakeholders and the communication with such groups is not as fleshed out in the construct of CSR as it is in CS.

An additional aspect that must be considered when understanding the role of stakeholder groups is that the CSR paradigm focuses on balancing current stakeholder interests (Bansal & DesJardine, 2015), while this framework posits CS must balance both current and future stakeholder interests. This further demonstrates the tensions discussed in the previous element of timeframe.

CS emphasizes the participation of stakeholders regarding insights on business operations and dictating what the firm should consider its most material issues. CS prioritizes communication with these groups and their input into the process, while also balancing the consideration of future generations and groups that too will be impacted by present day decision-making (Bansal & DesJardine, 2015). In contrast, CSR focuses on communicating to what, historically, would seem to be a more limited number of stakeholders, with sights set on generating wealth for business and society and little focus on sustainable growth (Bansal & DesJardine, 2014). This is to say then that the CS perspective takes on a more modern and relevant approach to doing business in the 21st century.
2.4.3. Focus Area

The focus area portion of this theoretical framework for both CS and CSR emerges largely from the historical roots of both concepts. CSR has a focus on social impacts, as its name suggests, while CS emphasizes holistic decisions, with a necessary consideration of the environment.

It is clear the concept of sustainability has evolved through a greater acknowledgement of and appreciation for the environment and the human species’ impact upon it. We know that the natural environment plays a vital role in business and yet for many years decisions have been made ignoring this consideration. To some extent, this still exists today, however a company employing CS in their business philosophy would necessarily be considering the environment. Corporate sustainability inherently dictates that the environment should be considered within its strategies (Apte and Sheth, 2016). More specifically, at a minimum the question of, “How, if at all, could this impact the environment directly or indirectly?” should be asked.

Yet, while focusing on the environment is a critical component of CS, it is not enough. It is when the environmental, social, and economic elements are combined that we begin to understand and innovate strategy that leads to a healthy and thriving business, environment, and society. The concept of CS acknowledges the need and desire for profitability, yet differs from traditional growth and profit-maximization models in that a far greater emphasis is placed on the three pillars of sustainability (Wilson, 2003).

Switching focus to CSR, the social aspect is the predominate focus (Dahlsrud, 2008). While much debate surrounds whether or not the environment is included within its framework, the evidence is that CSR does not emphasize or require consideration of the environment in its actions (Dahlsrud, 2008; Carroll, 1999). It is important here to define what is meant by environment, because as a term it is sometimes used to mean the business environment and other times to mean the physical or natural environment. In the case of CSR, there is certainly a focus on the business environment, but limited attention to the physical or natural environment (Newport et al., 2003). It is the latter definition of environment that is the focus in CS. The framework presented demonstrates that the environment is not the focus within corporate social responsibility and therefore this opens the door for potential oversight on unintentional consequences on the environment.
Interestingly, for the last few decades, consumers have become increasingly aware of the negative impacts businesses have upon the environment. Due to this, the environment began seeing some inclusion within CSR frameworks (Beamish, 2011). However, environmental consideration is not inherent in CSR topics as it is with CS. However, this incorporation within some CSR definitions, and not in others, has helped to confuse what is already a muddied area. Therefore, for the purposes of this framework, the CSR paradigm cannot be seen to necessitate environmental consideration, and the use of its resources, in the same way as that of CS.

2.4.4. Perceptions and Motivations

The perceptions of corporate sustainability and corporate social responsibility, as well as the motivations behind their implementation, vary from both business and societal perspectives. This element outlines how CS and CSR are perceived from the company perspective, while describing the motivations behind their implementation. Due to the well-established history of CSR, this framework understands it to have become more of a norm or expectation – both from the company and community standpoint. CS however, has emerged as a way to frame company strategy.

From the business perspective, corporate sustainability is perceived much like a corporate strategy that can be applied to all areas of business operations (Bansal & DesJardine, 2014). It is a lens applied when analyzing ways in which a company can alter its strategies to take into consideration more holistically its impacts upon the social, environmental and economic pieces of business, and vice versa. Increasingly, businesses are recognizing that including sustainability strategies within their operations makes for a leaner, more efficient company with more possibility for cost savings and opportunities for growth (Apte & Sheth, 2016). Prioritizing longevity and resiliency can be seen as providing an economic advantage while also benefiting the environment and the many stakeholder groups a company should be considering and communicating with.

Further, corporate sustainability is often associated with the agency principle, focusing on value creation, environmental management, environmentally-friendly production systems, human capital management and so on (van Marrewijk, 2003). van Marrewijk’s suggestions would dictate that corporate sustainability and its rationale behind implementation are to foster greater value that can be felt by economic, social and ecological realms of corporate performance. An
instance of this and the agency principle can be seen in the decision to make longer term investments that can promote long-term benefit, that do not necessarily produce short-term returns. It is shifts in business strategy such as this that create sustainable and resilient business value beyond the bottom line. Notions such as this set CS and CSR apart in their application.

In contrast to CS and its perception as an overall strategy, the corporate social responsibility perspective can be thought of as its own area of company operations, one where a number of initiatives are becoming or have already become common practice, such as donations, sponsorships, and the wellbeing of employees (Rice & Peter, 2015). In the current market, many CSR initiatives have become an expectation by the consumers and other stakeholder groups. What was once a traditional source of competitive advantage for retaining clientele and maintaining a social license to operate is now no longer sufficient to set a company apart and ensure resilience. CSR has become normalized within businesses. Plainly, Rice and Peter (2015, pg. 255) suggest, “CSR has become a normal activity”, and due to this, it has seen very large financial investment. Business owners have increasingly recognized the larger role they play within society than simply selling goods and services (Bartol, Tein, Matthews & Martin, 2011). And therefore companies may be better off looking outside the sphere of CSR to the potential benefits sustainable strategies garner.

While both CS and CSR are voluntary in nature (van Marrewijk, 2003), this theoretical framework argues that no longer is CSR truly a choice for business. There are certain expectations of a company that have evolved to a point where businesses undergo societal pressures to implement aspects of CSR (Shen & Benson, 2016). Pressures from employees may also have contributed to the normalization of CSR in business. Shen and Benson (2016) note that CSR has largely become a social norm on a global level, and that employees will likely judge their employing company by their CSR behaviours. From the employee and employer perspective, this demonstrates the importance of CSR within business, and its influence on employee productivity. CS on the other hand has not yet become a norm. Wilson (2003) argues that while corporate sustainability as a management paradigm is growing, it is not likely that all companies will subscribe to its principles – at least not voluntarily. Whether this is due to its more recent emergence or the more complex considerations and changes it necessitates businesses to undertake, the subscription to the principles of CS cannot yet be seen by all companies.
Given that corporate social responsibility can be perceived as its own area within business and corporate sustainability as an overall strategy, it becomes easier to see how they can work in tandem. Ultimately, corporate sustainability should be understood as strategy that can be applied to all areas of business operations, affecting both internal and external stakeholders and environments. Corporate social responsibility should continue to have a place within business, however it should not be mistaken for sustainability as it does not afford such a wide reach and dynamic lens. As posited within previous sections, this framework suggests again the application of sustainability to CSR initiatives. In this way, CSR actions may find a renewed sense of strategic edge and holistic benefit. In summary, CS acts as a guiding framework for all business decisions, including decisions around CSR.

2.5. Conclusion

Continued distinction and greater understanding of the constructs of CS and CSR will allow for individuals, companies and governments to operate in a manner that will foster a more holistic and resilient future, by incorporating sustainable elements into their strategies. It is these discussed elements of time, stakeholder participation and communication, focus area, and perception and motivation that set CS apart from CSR. However, though the focus here has been on the importance of CS, this is not to discount corporate social responsibility. CSR, like sustainability, plays a particular role within business and therefore companies should maintain their CSR practices, while trying to foster more sustainable business strategies for the entirety of the corporation. What needs to be avoided is the portrayal of corporate social responsibility as though it is sustainability. What began as two separate terms with separate purposes stemming from separate phenomena should remain this way. Unlike CSR, CS is not about one department or one facet of a business, but rather about the entirety of the company and how that company functions. Therefore CSR cannot be understood as being as far-reaching.

While the theoretical framework is an academic venture, the hope is its application can extend beyond academia to also assist business, government or the general public in further clarifying their understandings of the two concepts. The importance of these distinctions and moving forward with these criteria lies in fostering a well-balanced, holistic and resilient company which in turn benefits the economy, society and the environment.
Being sustainable is a responsible undertaking, however responsibility does not ensure sustainability. The goal of this chapter and its theoretical framework was to address the histories of both concepts and appreciate what they looked like in the past and what they mean today. This quest is essential for providing a solid foundation for further research within academia as well as greater CS and CSR implementation within business.
Chapter 3
Methodology and Case Study

3.1. Introduction
The first step of this research was the production of a theoretical framework to outline and describe the differences between corporate sustainability and corporate social responsibility. This framework was created through an analysis of relevant literature and was presented in the previous chapter. The remainder of this thesis focuses on how CS and CSR have evolved and are currently perceived by the banking industry in Canada. Past and current annual responsibility/sustainability reports published by the Big Five Banks were analyzed and coded. These reports were examined against the framework presented in Chapter Two in order to gain a more thorough understanding of the evolution of sustainability and social responsibility within these five businesses. To answer the “why” behind these initiatives, and in order to further inquire into how these practices are actually incorporated within the Big Five banks, semi-structured interviews with employees working within these five companies were conducted.

3.2. Case Study: Why the Big Five Banks?
By focusing in on Canada’s Big Five banking institutions I was able to analyze and gain greater insight on how sustainability is taking shape in some of the country’s biggest companies which have influence coast to coast. As previously stated, the Big Five Canadian banks include: the Bank of Montreal (BMO), the Canadian Imperial Bank of Commerce (CIBC), the Royal Bank of Canada (RBC), the Bank of Nova Scotia (Scotiabank or Scotia) and the Toronto-Dominion Bank (TD).

To look at the banking industry specifically narrows in on companies with hundreds of branch locations spanning the country. Together, these five Canadian corporations have over 5,000 locations in the country alone (BMO, 2018; CIBC, 2018; RBC, 2018, Scotiabank, 2018; TD, 2018), which ties both into the physical and geographic presence within Canada, as well as their economic, social and environmental influence. This number can be considered and approached as either an operational hurdle or a place for operational opportunity and innovation. With all of this in mind, the hope is to uncover not only the initiatives implemented for the purpose of
sustainability, but also the ways in which sustainable practices are incorporated in every day production and operation of these businesses.

The sheer physical size of these companies puts into perspective their prevalence within Canadian communities across the country. As of 2018, BMO has 45,000 employees (BMO, 2018), CIBC has 44,000 employees (CIBC, 2018) RBC is sitting at 84,000+ employees (RBC, 2018), Scotiabank has more than 97,000 employees (Scotiabank, 2018), and TD is at over 62,000 employees (TD, 2018). Again, this exemplifies the important role the Big Five play within our communities and economy.

Economically, all five businesses fall within Canada’s top 12 largest companies, both in terms of market capitalization and profit generation, four of five falling within the top five of Canada’s largest profit makers (Holloway, 2019; Statista, 2019). These entities hold tremendous capital, as well as ability to influence, impact, and create change both nationally and internationally. This too exemplifies their influence within the economy, as well as their social and environmental impacts worldwide in that these companies have substantial decision-making power regarding project financing and lending.

Additionally, the banks are a unique case to study in that, as of the early 2000s, they have been required to publish annual Public Accountability Statements (PAS), something not all companies must do. Specifically, the PAS regulations state that once a federally regulated financial institution achieves over $1 billion in equity, they are required to report on their contributions to both the Canadian economy and society (Public Accountability Statements Regulations, 2002). Pertaining to this research, the annual PAS requirement plays an important role in that it served as the precursor to more comprehensive corporate social responsibility and holistic sustainability reports. The PAS requires the following information: company affiliates, community investment, support for small business, debt financing to Canadian firms, access to financial services, branches and ATMs, employment in Canada, and taxes (Canada Bank Act, 1991). Most other companies are not required to publish such disclosures, and therefore this requirement has served as a catalyst and allowed for consistent comparators across the Big Five dating as far back as 2002.

Academically, BMO, CIBC, RBC, Scotia and TD are a relatively understudied group of companies. While the banking or financial sector in Canada has been included in past studies,
narrowing in on the Big Five, particularly within the sustainability space is not often seen. Another dimension regarding the banks, not necessarily within Canada but the industry at large, that can be seen both in academic and news articles is the factor of trust in banks and the faith of the general public (Finkle, 2018). Not only are these companies understudied from an academic perspective, but the global financial crisis of 2008 and the following lack of trust regarding the banking sector as a whole also poses as an additional factor for looking at the Big Five in Canada (Hurley, Gong & Waqar, 2014; Jansen, Mosch, van der Cruijsen, 2013; Fungacova, Hasan & Weill, 2019).

3.3. Corporate Report Analysis

Given the growing prominence of sustainability and social responsibility in the business sphere, and in order to understand where the strategies, initiatives, and actions of BMO, CIBC, RBC, Scotia and TD lean and have grown, all annually published and publicly available corporate responsibility and sustainability reports were reviewed, analyzed and coded against the researcher-created theoretical framework. The importance of tracking the evolution of CS and CSR actions and being able to place them on spectrum allows for us to understand what has been done, what is currently being done, and what these transitions look like. This is valuable information not only for academics moving forward in these areas of study as well as future academics learning about these concepts, but for businesses and governments to understand the best ways to move forward and implement sustainable, holistic strategies.

The reports analyzed date back to the early 2000s with the first banks to publish being BMO, TD and Scotiabank in 2002. RBC’s earliest available and still public report dates back to 2003. CIBC has publicly archived their reports dating as far back as 2006. A total of 75 reports were read, analyzed and coded. It was in this phase of the research that theory-driven, deductive coding methods were applied. Deductive coding aims to test a theory – in this case, the researcher-created theoretical framework differentiating CS and CSR (Crabtree & Miller, 1999). The codes used for this portion of the research were: Timeframe (long-term or short-term/lacking timeframe), Stakeholder Engagement (holistic communication with or limited communication to), Focus Area (environmental focus/environmental consideration or social focus) and lastly Perception/Motivation (business strategy/competitive advantage or norm/expectation/area within business).
Looking to each institution’s reporting more specifically, BMO has 22 reports publicly archived on their online portal, dating from 2002-2018. Between 2012-2016, the company published two annual reports – their Corporate Responsibility Report as well as an Environmental, Social and Governance Report (which included the PAS requirements). CIBC has a total of 13 reports publicly archived, from 2006-2018. RBC’s online public portal has 20 reports published, from 2003-2018, of which 15 were analyzed. It is important to note that between 2014-2017, the PAS requirements were reported on separately from their corporate responsibility reports and therefore the main responsibility reports were read. It should also be noted that no responsibility report is posted for 2013. TD has 17 published reports currently posted publicly online, from 2002-2018. Their 2005 report is no longer posted in full and therefore, 16 reports were analyzed. Lastly, Scotiabank has been reporting since 2002, however, the 2002-2009 reports are no longer accessible to the public. In this instance, only the 2010 to 2018 reports were able to be examined. Where PAS requirements were separate, the main responsibility reports were analyzed. In sum, a total of 75 reports were reviewed and coded.

It is important to note that in addition to these reports that cover a number of different areas (environmental, social, etcetera), there are additional reports and published pages on the Big Five’s websites narrowing in on further specifics of these areas. These additional documents and webpages are not included in the following results and were excluded from the scope of the research to ensure consistency. It was the main, more all-encompassing annual reports that are published by the Big Five that were examined and compared as the topics elaborated upon in the webpages and more specific reports are, at the very least, acknowledged and detailed in these larger annual reports.

In addition to using the created framework for analysis, a further investigation was undertaken to better understand the incidence of the key terms related to CS and CSR, specifically: “social responsibility” and “socially responsible”, “responsibility” and “responsible”, as well as “sustainability” and “sustainable”. This portion of the research aids in understanding the potential shift in language and focus. The search function was used to determine the presence of these six terms within the reports over time and across all five banks. The goal of this tracking is to highlight the increasing or decreasing use of specific language within the Big Five and understand any trends surrounding this terminology. This can give us an additional insight into
whether CS and CSR are perceived as the same or different and whether or not one is more prominent than the other.

Though the primary goal for this stage of the research is understanding shifts in trends, as well as past and present actions, operations and strategies, it also provides a contextual background and solid foundation prior to conducting interviews. Having this well-informed understanding surrounding the banks’ reporting ensures thorough preparation and relevant questions, as well as wholesome conversations come time for interviews.

Ultimately, the report analysis phase of this research allows for the second research question to be explored, while also utilizing and validating the first phase of the research, the CS vs. CSR theoretical framework.

3.4. Semi-Structured Interviews

To support the analysis in prior research phases semi-structured interviews were conducted with employees working within each of the Big Five banks. The interview design took on a semi-structured form in order to allow for flow of conversation and the emergence of new queries (Blee & Taylor, 2002). The core set of questions remained in each of the interviews in order to allow for comparison between discussions.

In total, 11 interviews were conducted with employees within the CSR, CS or Corporate Citizenship teams in all five companies. One participant strayed slightly from these teams and worked in an adjacent Investor Relations group. Again, it is important to note that language varies across the banks with relation to what the department may be named. These interviews were a supplement to the thorough annual report analysis, as interviews provide the researcher with insight into experiences and attitudes that cannot be found within the pages of the reports (Rowley, 2012). Speaking to the individuals within each of the Big Five who work within these areas of business each day, as well as report on how each facet of the business is incorporating the elements of sustainability or responsibility, allows for a deeper look into what and how these strategies and initiatives are being implemented and perceived on the ground. Therefore, the interview phase of this research also helped to ground truth the CS vs. CSR theoretical framework (Bitsch, 2005). With looking into such large national companies, the intricacies of
operating both coast to coast and on the international scale was a topic of interest, and hopefully could be useful in both the academic and corporate world.

3.4.1. Choosing and Contacting Participants

Focusing on sustainability and social responsibility employees as the participants for interviews was a decision made in order to gain greater insights from individuals who are immersed in these areas of business. These key informants would be able to provide in-depth knowledge, which was preferred to those who do not specialize in corporate sustainability or social responsibility within the company (Payne & Payne, 2004). This was preferential given the interest was how the banks perceive CS and CSR. However, this choice could also represent a limitation in that focusing on these particular individuals provided a less comprehensive picture of the entirety of the banks and their various lines of business.

In order to gain access to these companies, I reached out to each company using a variety of different methods, including personal and academic contacts. I also contacted these companies through publicly available email addresses. Each of the five banks’ annual reports list contact email addresses for questions or comments regarding the published material. All five applicable email addresses were sent an email with a brief description of my research followed by a request to speak with an individual, or a few individuals, at the company. With the understanding that these contacts were general email addresses for an area within the company, I felt it was best to also pursue other avenues to make contact with individuals within the banks. Of the 11 interviewees that participated in this study, 10 were initially contacted via email, with one being via telephone call followed by email exchanges. This individual’s contact information was forwarded by way of a personal contact. Five of the interviewees were gained by use of snowball sampling, whereby participants recruit other participants for the study (Noy, 2008).

Once study information was provided and interviewees agreed to participate, I sent a further information letter accompanied by an informed consent form. The consent portion will be discussed in the following sub-section. From this point forward, all logistical details regarding setting up calls and meetings were handled by way of email as well. Throughout these exchanges, I offered to answer any and all questions the participants had pertaining to their participation and the research.
3.4.2. Conducting Interviews and Interview Locations

Of the 11 interviews, five were conducted as in-person interviews and the remaining six took place over the phone. Interviewees were presented with the option to choose which they would prefer and what fit best with their schedules. These interviews were executed in the months of March 2019 to May 2019. With the participants being head office employees of the Big Five banks, some individuals were able to speak within a week or two of being contacted, while others needed to schedule our calls or meetings a few weeks in advance. The number of individuals spoken with at each bank varied only slightly. Keeping these specific numbers confidential, I spoke with between 1-3 individuals at each of the five banks. Interviews lasted 25 to 45 minutes, depending on the participants’ availability of time and how thoroughly questions were answered.

Interviews began with more general questions, pertaining to the participants’ background and role within the company. These broader introductory questions were followed by more detailed questions regarding sustainability and social responsibility distinctions (if any in the interviewee’s opinion) as well as the evolution and elements of reporting, and transitions towards more sustainable business. This guide can be found in the Appendices (Appendix C). Included in the closing questions, was a query I posed to each interviewee seeking the advice they would give to an individual within another company or industry, looking to include sustainability elements within their business. These findings will be later discussed in Chapter Five: Results.

In order to receive insights that are as whole, fruitful and honest as possible, interviewing in a location where the individual feels comfortable to speak freely is preferred. For the individuals who were met in person (n=5), four were conducted outside of the office space and the locations varied, being nearby coffee shops or building common spaces with seating. One was conducted in-office, taking place in a casual commonplace within company space. The remaining telephone interviews (n=6) were taken in a home office on the researcher’s end, with the interviewees being called on their work telephone or cellphone while at the office during working hours.

3.4.3. Confidentiality and Ethics

An information letter of the research details (Appendix A) as well as an informed consent sheet (Appendix B) was sent to all interviewees as soon as the individual agreed to participate in the
research. This document was sent via email to all individuals prior to their interview in order to ensure they were aware of the consent questions that would be asked at the outset of the meeting or call, as well as their rights as a participant. These questions included recording of interviews, responses associated with the company, responses being used in future related research, and if participants would be willing to be contacted again if need be. Interviewees were also made aware of their right to skip any questions and that terminating the interview could be done at any time.

For any company, there may be hesitation in divulging aspects of the business that could be seen as areas of improvement. However, in order to help counter this issue I was sure to stress the strict confidentiality and anonymity associated with their participation. It was the hope that this would encourage more forthcoming responses, allowing me the ability to represent the industry more accurately. Due to the use of snowball sampling, participants referring their colleagues understood that in that particular instance, confidentiality would not be present within this set of individuals. Otherwise, all participants were aware that in all aspects of this research, their name and company (if chosen) would not be associated with their responses.

The recruitment process only began once the study’s human research ethics protocol approval had been received by the University of Toronto’s Ethics Review Board.

3.5. Data Analysis

3.5.1. Transcription and Coding of Interviews

In order to analyze the information collected throughout the interview process, recorded sessions were transcribed verbatim into separate Word documents (n=9). For interviews where recording was declined, thorough notes were taken in one instance by hand (n=1), and another directly into a Word document (n=1). In the case of hand written notes, these notes were immediately transcribed into a Word document following the interview. All transcripts were then analyzed and coded for emerging and subsequently, reoccurring themes. Often times, code names are created out of the words and phrases within transcripts, which would take on an inductive framework for generating knowledge, or “grounded theory” approach (Saldana, 2016). However, in the case of this research, both inductive and deductive methods were used throughout this phase of analysis. This means that while coding interview transcripts, themes emerging from the
conversations were coded accompanied by codes applied from the researcher-created CS vs. CSR framework. This type of coding is best described as “simultaneous coding”, and served as the most appropriate approach in order to answer the research questions and attain objectives (Saldana, 2016). This technique allows for two or more codes to be assigned to the same set of datum, often times when dealing with complex passages (Saldana, 2016). Due to the varying research questions and objectives of this study, Saldana (2016) advises, “and if the researcher’s focus for the study includes several areas of interest, and if a single datum captures or illustrates points related to more than one of those areas, Simultaneous Coding can be applied.” (pg. 96).

Using the researcher-created framework, the deductive codes used were as follows: Timeframe (long-term or short-term/lacking timeframe), Stakeholder Engagement (holistic communication with or limited communication to), Focus Area (environmental focus/environmental consideration or social focus) and lastly Perception/Motivation (strategy or societal expectation/norm). The main inductive codes which came from interview content were: Leadership, ESG Focus, Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), Regulations, Incentives and Policies, and, Advice.

3.6. Positionality

Understanding one’s positionality is central to any research. At every stage, the researcher’s positionality plays a role – in determining their field, the questions they will explore, and the interpretations and representations of data found and reported (Lorimer, 2010). Prior to beginning this academic research, my interest and fascination with the natural environment began in childhood. I have been fortunate enough to grow up during a time where as I grew older, the interest and attention paid to the environment, the changing climate, and its subsequent degradation has also grown. I progressed through my childhood and continued into adulthood with the understanding that not only do we have a profound influence upon the planet, but it upon our livelihood as well.

Prior to beginning my graduate studies, my experience at the Beer Store Corporate office heavily influenced my decision to pursue a research topic that encompassed both the environment and the impact corporate entities can make. Having worked within a business that not only acknowledges the environment, but places it at the centre of its operations and does so
effectively and successfully, made me want to pursue this specific area further. This further evolved into a newfound curiosity regarding sustainability and what this word truly means in the corporate world.

Past experiences and personal ties also played a role when moving forward with the Big Five banks as this research’s case study group. While I have never been employed by any of these companies, I did reach out to academic colleagues, friends of the family and relatives, to inquire about any potential connections they would suggest I contact within the banks and perhaps even within these specific areas. In attempt to ward off any potential bias, I made a conscious effort to remain professional with each interview participant, whether they had been contact via the general department email or I was given the specific contact through a connection. However, receiving contacts through my academic and personal networks were truly the only place where any personal connections were present. Aside from this, I came into my research with an open mind and fresh slate, untarnished by any prior relationships or connections.
Chapter 4
Results: The Big Five Banks Report Analysis and Interview Findings

4.1. Introduction

This chapter presents the results from the analysis of the Big Five’s annual responsibility and/or sustainability reports dating back to 2002, as well as findings from the interviews conducted with employees within these companies in March and April 2019. The reports analyzed vary in name, with these variations giving just a glimpse into the evolution of language and shifts in focus since these companies first began this type of reporting nearly two decades ago. These differences can be seen among banks as well as within the banks themselves over time.

Overall the findings and trends discussed in this chapter provide evidence of sustainability transitions within the Canadian banking industry. A move towards including more holistic, sustainable strategies, initiatives and operations is increasingly being seen across all five banks. Presently, not only is the notion of sustainability within these corporations becoming more commonplace, but the ideas of reporting against what is being called “ESG” indicators – environmental, social and governance - is becoming increasingly present. As of 2018, all five banks have integrated ESG indicators within their reports.

This chapter presents the research results in two main sections and both the report analysis results as well as interview results are presented together, as many interview findings spoke to those found within the dozens of published reports. The first section discusses report and interview findings based on the researcher-created theoretical framework. This section is therefore split into four subsections: timeframe, participation, focus area and motivations and perceptions. It is in this section that information is provided which demonstrates the transformations the Big Five have made, and continue to make, in order to further their sustainability platforms. The key findings indicate a greater understanding of how to implement sustainability within operations, as well as a more thorough understanding of its importance. The shift in report contents and focus over the 17 year period under review as well as employee dialogue suggests the Big Five have made significant headway and are still working to get sustainability more widely accepted and ingrained within all areas of the business. The second
section examines additional findings that emerged outside of the CS vs. CSR framework. The themes discussed in this section are as follows: language trends from 2002-2018, the move towards ESG, the United Nation Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), regulations, incentives and policies, as well as advice from Big Five employees. This chapter concludes with a brief synopsis of key findings in order to summarize the major trends and take-aways seen from focusing in on the Big Five.


In total, 75 reports by the five banks were analyzed between the first reports in 2002 by BMO, Scotiabank, and TD and those most recently published in 2018. 22 reports from BMO were analyzed, 13 from CIBC, 15 from RBC, 16 from TD and 9 from Scotiabank. Scotiabank’s early reports from 2002-2009 are no longer publicly accessible, and as such only the 2010-2018 reports were examined. Looking back from the origins of these reports to the most current documents has led to an understanding of the evolution of sustainability and social responsibility within these organizations. This evolution is ongoing and in no way complete. In many cases and over a number of years, much of the reporting has a number of similar themes and consistencies. This temporal analysis dating back to the early 2000s allows for these emerging new themes and initiatives to become clear. These reports do not serve as a complete picture of all undertakings, but rather exemplify many of the main initiatives and strategies taken on by the banks to move beyond the bottom line.

Table 4.1 (on page 58) lists the annual responsibility/sustainability reports that were analyzed, by year, institution, and title. It can be inferred from the following table and the evolution of titles that a catalyst for these more comprehensive reports was the 2002 requirement set out in the Bank Act. As previously discussed, 2002 brought about the federal government requirement for banks to publish annual Public Accountability Statements (PAS) which discloses the following information: affiliates, community investment, support for small business, debt financing to Canadian firms, access to financial services, branches and ATMs, employment in Canada, and taxes (Canada Bank Act, 1991). The requirement of these disclosures acted as an impetus for the reports seen in present day. With this progress and evolution of reporting in this area, it can be seen that many of the Big Five publish their required PAS material along with the voluntary
disclosures. Year to year and across institutions this can vary, as some years the PAS is a smaller separately published report.

### 4.2.1. Timeframe

Forward-looking strategies, initiatives and statements are increasingly prevalent within all five banks’ reports as we scan from past to current documents. These “forward-looking” statements, as described by BMO in their 2018 Environmental, Social and Governance Report, “…require us to make assumptions and are subject to inherent risks and uncertainties” (BMO, 2018, pg. 103). While this statement also acts as a safe-guard in the case that these initiatives, strategies or goals are not met, it also exemplifies the acknowledgement of looking to and planning for the future. TD and RBC also acknowledge forward-looking statements in their 2018 ESG Reports (TD, 2018, pg. 59; RBC, 2018, pg. 2). BMO began including this statement in their ESG Report in 2016, TD in 2017 and RBC in 2014. CIBC and Scotiabank do not include this section within their annual responsibility/sustainability reports. The prevalence of a forward-looking strategy section in three of the five banks highlights the emergence of greater forward-looking considerations within their reporting and actions.

In addition to the explicit forward looking statements just highlighted, many of the banks’ initiatives and strategies discussed in their reports indicate a look to the future. The year 2030 is mentioned by all five banks, some to a greater degree than others. TD for example is focusing in on this year for a number of initiatives including using a 2030 horizon as their target for getting to $100 billion in their business towards the transition to a low-carbon economy (TD, 2017). This initiative has stemmed from the 2030 targets set out in the 2015 Paris Agreement. By way of low-carbon lending, financing, asset management and other related programs, TD is the first Canadian bank to set such a target (TD, 2017). In addition, TD is a founding partner of IMPACT2030. IMPACT2030 is a global collaboration led by the private sector, to use employee volunteer programs to contribute to the achievement of the Sustainable Development Goals (SDGs) (TD, 2017). According to TD, this initiative is classified as “Strategic Philanthropy” (TD, 2017, pg. 40). The remaining four banks make mention of this future date only a small number of times largely in relation to the SDGs and assisting in achieving these goals.

Not all initiatives present in the Big Five’s reports state explicit timeframes, but rather imply longevity and resilient strategies. For example, while TD explicitly references 2030 in their
transition to a low-carbon economy, CIBC and Scotiabank also mention this transition and BMO and RBC (in their most recent 2018 reports) discuss it at length, though in these latter four banks, no time frame is attached.

4.2.1.1. Long-Term Decisions

In addition, an area which all five companies are increasingly discussing is their lending and financing practices. What is being most commonly referred to as “Responsible Banking” or “Sustainable Finance”, these companies are increasingly and more holistically considering where money is moving. In the early 2000s, lending was mentioned less than a handful of times, mostly pertaining to some acknowledgement of the environment. An example of this can be seen in BMO’s 2004 report under the Environmental Policy portion, which simply states that environmental factors are taken into consideration in their lending practices (BMO, 2004, pg. 30). However, reports from more current years (early 2010s forward) focus on responsible or sustainable banking far more heavily and include both environmental and social implications. These aspects will be discussed at greater length in the following sections. However, the importance of the increasing prevalence of this style of lending and financing within the Big Five and its relation to the consideration of timeframe is twofold. First and as previously mentioned, these companies are some of the largest in Canada, and as such their ability to pose as business leaders and influence the ways in which business should be done into the future should be looked to play a role in both the domestic and international economy. Secondly, the Big Five finance and lend to a number of different sectors and projects and therefore are driving forces across the marketplace. As the outlook on financing becomes more holistic and their processes more robust, the funds given to companies and projects should become more carefully considered for their potential implications years into the future. These are considerations that were not once prioritized or understood in the ways they are now. One interviewee discussed the importance of these long-term deals and contracts by saying:

“… So the projects that I'm looking at that would help us achieve that are like 10 to 15 year contracts…So these are long-term business decisions.” (Participant 8)

The increased focus on the future, be it the opportunities or risks, is displayed by Scotiabank in their updated and transformed 2018 report. Up until this past year, Scotia’s annual report took on the name “Corporate Social Responsibility”, despite the elements of sustainability permeating
throughout. In 2018, their CSR report underwent a transformation. Now being called the “2018 Sustainable Business Report”, Scotia states, “We believe that the long-term success of our business and the world around us are fundamentally intertwined.” (Scotiabank, 2018, pg. 10). The bank also stated, “In 2018, through dialogue with senior management and external partners, we evolved the name of our strategy from Corporate Social Responsibility to Sustainable Business to reflect how ESG is both incorporated into the core of our business and also supports our long-term longevity.” (Scotiabank, 2018, pg. 11).

4.2.1.2. Long-Term Mentality

This long-term focus was echoed in the majority of the interviews conducted. When asked about the implementation of sustainability and the consideration of ESG within business, the following sentiments were shared by a number of interviewees:

“I think… there's an increasing recognition that this type of topic is relevant to the long-term strategic view of the company.” (Participant 9)

“Often when you talk about that kind of depth of impact we’re talking about a longer time in one way or another. There has to be some kind of pre-and-post framing at least so…. I think it's inherent in that approach, there's a recognition of the need for longer-term investment.” (Participant 4)

“Maybe it's not going to affect our financial risks right now but we want to understand if these scenarios play out where do we want to be and how should we be evolving to be where we want to be.” (Participant 9)

“If you're integrating it into your core business model it becomes a lot more sustainable, for lack of a better word, but like business sustainable… long-term and therefore more secure that you’re going to continue to have a positive impact well beyond, you know, even if you run out of money to donate.” (Participant 11)

A number of participants made mention of the fact that much of what the banks do is inherently long-term. The more CSR-based initiatives such as donations or sponsorships are only a small part of the bank’s undertakings and as such, the notion of corporate sustainability can be applied to all aspects of the banks.

“It's not just about philanthropy and donations, but they're about a long-term investment in our communities and our employees and our customers… and recognizing that you know, as I sort of said before, it's all elements of your business.” (Participant 3)
“So when you asked me if the time horizon is longer I think… uhm… it is longer in that it's more embedded… And so there are longer-term commitments to that right? It's not just one donation, but it's like how do we mobilize the whole organization.” *(Participant 7)*

“Mhm yeah so there's a big push like it started with the pension funds… who have like investment outlooks of like 50 years cuz they're trying to invest for our futures. So they started like, once climate change became mainstream like started really thinking about like what will these investments look like in decades from now because of climate change. And they saw actually like it help them manage their risk better by incorporating sustainability into their investment process.” *(Participant 8)*

Through these interview dialogues, connection between long-term strategies, the environmental and the social, as well as the success of the company and ability to serve into the future is evident. Numerous interviewees even explicitly spoke about actions which were beyond donations, something which is considered shorter-term. Looking further down the line is no longer being seen as irrelevant or out of reach, but rather poses as an advantage for business. In earlier reports, the topics and contents leaned towards what the banks had done during the year of focus and what they were currently doing. While these types of topics are still present in current years, we have seen a shift whereby the banks are including a more long-term outlook and discussing what they are doing to benefit not only current populations, but how they understand and plan to benefit the society and environment years into the future. These newer types of dialogues would suggest a change in focus from CSR leaning reports to more heavily CS based content and reporting.

### 4.2.2. Participation

The notion of communication with a vast number of stakeholder groups, rather than communication to, has also become increasingly focused on and discussed by the majority of the Big Five. Scotiabank demonstrates this evolution well throughout the analysis of their 2010-2018 reports. In their 2010 CSR report, Scotia’s stakeholder groups are briefly mentioned under the Governance portion, reading “…stakeholders including shareholders, customers, employees and the broader community.” *(Scotiabank, 2010, pg. 4)*. In contrast, Scotia’s 2018 report goes to great length to discuss who their stakeholders are, how they interact with each of these groups, and what material ESG topics are most important to each group. The stakeholder groups included in this most recent report are: customers, employees, shareholders, investors, rating agencies and research analysts, government, suppliers, NGOs, community development organizations and academia, as well as global and national sustainability organizations.
In comparison to the 2010 report, this list alone demonstrates the growth in attention paid to a vast number of stakeholder groups. This section of the report, entitled “Material ESG Topics and Stakeholder Engagement”, spans four pages, whereas a decade ago it was mentioned briefly in a few sentences (Scotiabank, 2018). Materiality assessments and matrixes are now undertaken by the Big Five in order to gain a thorough understanding of what exactly their stakeholders deem important and how this can be incorporated into business strategy. In Scotia’s case, responses were collected from groups domestically and internationally (Scotiabank, 2018).

This evolution and greater incorporation of stakeholder focus is seen throughout all five banks. BMO has also undergone great evolution in reporting its stakeholder engagement – outlining stakeholder groups, engagement activities, and key ESG issues raised (BMO, 2018). This thorough description regarding their many stakeholder groups has been a part of BMO’s reporting since 2013. Prior to 2013 this topic was included, though not discussed to the lengths now present. CIBC and TD also list their stakeholder groups and the ways in which interactions take place (CIBC, 2018; TD, 2018). Unlike these four, RBC does not go into such detail regarding its communication with their varying stakeholder groups.

RBC, in their stakeholder section, focuses on the importance of leadership in the transformation to a more sustainable business (RBC, 2017). In 2017, RBC discusses the importance of a new leadership model for sustainable growth. While sustainable growth has been a prevalent theme in more recent annual reporting, beginning predominantly in 2016, this new leadership model necessitates that both RBC leadership and all of its employees must be leaders in driving sustainable growth and creating a more sustainable business (RBC, 2017). In order to address the changing forces the banking industry is having to face, a new leadership model is one of four ways RBC plans to tackle and thrive in what they deem a “complex environment” (RBC, 2017, pg. 48). “The Leadership Model embodies the approach and mindset RBC encourages among all its employees. At its core, it is intended to guide how we all work together, set the clear expectation that how we meet our goals is just as important as what we achieve…” (RBC, 2017, pg. 48). This statement gestures towards the importance of “how” the company operates and that all employees must be on board to make transformative change. In this way, their stakeholder focus may be smaller than the other banks, but the depth of engagement with their key stakeholders is prominent.
Throughout the interview process, interviewees were asked their perspectives on the role of stakeholder participation and their opinion on what was posed to them as the communication with versus communication to idea:

“So if you… are trying to enrich the lives of your customers, you know, and your communities and colleagues, then you need to do that with and not to.” (Participant 4)

“Sustainable business is more about communicating with our stakeholders which are mostly employees, investors, customers uhm… about what we’re doing to progress on sustainability and especially within banking uhh that’s a lot to do with governance.” (Participant 2)

When discussing the shifts in business and the ways in which the banks are incorporating sustainability into not only their operations, but the ways they finance, one interviewee shared the following on their view of the role of stakeholders in influencing these changes:

“Yeah I think so, stakeholders are the main driver…” (Participant 9)

Questions coming from stakeholder groups, particularly those that are ESG related, was another prevalent theme across interviews. The role stakeholders play, particularly the influence of investors, was highlighted and mentioned without prompt on a number of occasions throughout different interviews:

“I cannot stress how much investors have a role in like driving sustainability like the more questions we get the greater the pressure…” (Participant 2)

“So we have been doing our materiality assessment for [number] or [number] years now… so I would say that we were getting stakeholders involved in our ESG topics for a while, but I’d say what the biggest change is, for us, is that investors and shareholders are now starting to ask questions… they’re starting to ask ESG related questions.” (Participant 3)

“We respond to some investor questions when they’re related to sustainability… and I’ve seen those questions increase over time.” (Participant 2)

While most agreed that overall communication and the sheer quantity of ESG questions has been continually growing, one employee felt as though it was simply the type of engagement that is evolving:

“…we have a very long history of very deep and extensive stakeholder engagement…what I would say is new is that those that we are engaging with are interested in different things right? So now uhm… you know, we do get questions from clients about you know responsible investing and we do get questions about what we’re doing around our
environmental footprint. So you know like, the engagement hasn’t changed, it’s just that the type of engagement and the topics that we’re being asked about are different.” (Participant 7)

Participant 6 identified what they felt was a shift from what they described as a company lens to a stakeholder lens - something of a feedback loop. This loop represents again, the notion of communicating *with* stakeholders on how business should be done, rather than simply the responsibility of disclosing updates and information. The move past CSR in terms of stakeholder engagement and communication can be seen in the following quote. This particular employee shared that not only are groups becoming increasing involved, but the shift past and notions of CSR are no longer the focus:

“And so that stakeholder community is becoming very involved... I think with investors and shareholders starting to have questions it has also meant that we’re taking note and they’re now realizing that this is broader than CSR and it’s broader than philanthropy and people actually have questions about it you know.” (Participant 3)

### 4.2.3. Focus Area

Across all banks, there has been an increased focus on the relationship each of these companies has with the environment. As this relationship has become better understood – both the impact the Big Five has on the environment and the environment on their business – discussion surrounding the environment and the role it plays has become a greater focus within their reporting.

The Big Five seem to have now moved past the outlook that “… we do not consider our principal products and services to produce any major impacts on biodiversity” (TD, 2006, pg. 28) to what now appears to be a far more thorough consideration of where investments are being made and how this movement of money has not only social, but environmental implications. In 2002, BMO spoke primarily about the environment in their report from the perspective of a workplace environment or branch environment for employees and customers (BMO, 2002). At this time, none of the Big Five had a section strictly devoted to environmental affairs, impacts or relationships. TD’s 2002 report makes more of a mention regarding this area – where under their “To Our Communities” portion of the report there is a discussion surrounding environmental issues and the TD Friends of the Environment Foundation (TD, 2002). In the early 2000s, TD can be recognized as an outlier of the Big Five in terms of the environmental acknowledgements
and reporting, despite the previous statement found under the environment section in their 2006 report. BMO began including a section solely dedicated to the environment in their 2003 report (BMO, 2003).

Looking to more recent reports, greater attention paid to the environment is seen across all banks. While it is prevalent amongst the reports, what they are reporting on within this area has also expanded. With each of the five 2018 reports, the environment is a predominant topic not only within a single section, but rather throughout the entirety of the report. BMO’s 2018 report focuses on “Advancing Responsible Banking & Investing”, which looks at sustainable solutions regarding climate change as well as human rights, access to banking, and investing and lending processes (BMO, 2018). Discussions around the environment and climate change are also seen in the following report sections: Stakeholder Engagement and Materiality, Executive Compensation, and Building Sustainable Communities. This trend can be seen across all banks, and BMO presents as an ideal example of a Big Five company moving past their own environmental footprint to focusing on these practices. Since 2010, BMO has been carbon neutral enterprise-wide in terms of their operational footprint (BMO 2018). Their personal footprint is dominated by energy use in the real estate they occupy – accounting for approximately 86% of their environmental footprint (BMO, 2018). The remainder can be accounted for through business travel by employees and waste from major facilities (BMO, 2018). BMO strives to continually mitigate these impacts through best practices, however having been carbon neutral for nearly a decade, have been continually shifting focus and highlighting discussions on investing and lending practices. This shift has also been seen in CIBC, RBC, Scotiabank and TD. In 2018 alone, CIBC conducted 1,193 environmental and social risk assessments as part of their due diligence process for financial transactions (CIBC, 2018.) In 2006, this number totaled just 320 assessments (CIBC, 2006).

4.2.3.1. Environmental (and Social) Considerations

Another shift with regards to a more holistic approach and more thorough considerations is the Big Five’s adoption of the Equator Principles. These principles are a framework for social and environmental review in project financing which made its first appearance in the early 2003 reports of RBC and CIBC. RBC was the first of the Canadian banks to sign on to the voluntary set of guidelines (RBC, 2003, pg. 8), CIBC followed soon after in that same year and in 2006,
they were involved in the review and update of these principles (CIBC, 2006, pg. 27; CIBC, 2007, pg. 29). Having adopted and consistently renewed since the early 2000s, RBC and CIBC have led in this space considering the later adoption by the remaining Big Five. In September 2005, BMO announced its adoptions of the principles (BMO, 2005). A year later Scotia followed suit, becoming a signatory and incorporating the social and environmental assessment tool into their financing schemes. Lastly, in 2007, TD adopted the Equator Principles. This overall recognition of both the environmental and social implications of finance, though not directly taking place at the doors or in the buildings of the Big Five, demonstrates this growing theme of holistic operations.

It is also important to note that, while it is argued corporate sustainability inherently requires the consideration of the environment, it does not discount social aspects and subsequent impacts. These social aspects have been present amongst these annual reports since the early 2000s, and much of what has been done in the past continues to be present in recent reports, therefore contributing to the sustainability of these businesses. The Big Five all discuss their impact within community. Their sheer size and presence within communities across Canada allows for hiring and employment of Canadians, in turn supporting the livelihoods of hundreds of thousands of Canadians. This is instrumental in supporting the sustainability of these companies, by way of supporting Canadians. Each year, these businesses invest millions towards community development. In 2018, RBC invested $13.8 million into Canadian communities, not including donations and sponsorships (RBC, 2018, pg. 57). These types of community support, such as programs and investments, demonstrate the systems dynamic of sustainability in that supporting society through direct investment can make long-standing sustainable impact that cannot always be seen with donations or sponsorships.

While the investments have grown within communities, the Big Five are now placing significant interest in what is being deemed “E&S Risk” – environmental and social risk – with regards to their financing. This term and these considerations now permeate all five companies’ reports – another trend which demonstrates the movement from more simple social philanthropy towards understanding the social implications of your business operations. One interviewee shares their perspective on how this area is viewed and progressing within business.
“It’s all about identifying climate-related risk and opportunities on the E side and then the same… we should be doing on the S side.” *(Participant 10)*

In this case, the interviewee is referring to the E (environmental) and the S (social) of “ESG”. Another employee of the Big Five provided a specific example of how sustainability and social aspects work hand in hand within business as well:

“… there’s this idea of, well… if you find a human rights issue in your supply chain the historical view might have been you should immediately get rid of that supply. The modern view though is if you have leverage you should actually engage with them and maybe try to resolve the issue and then your impact… You’re not just walking away from the problem…” *(Participant 9)*

This stance can be applied to both environmental and social risk, demonstrating the holistic considerations that must be made in order to build a more sustainable system. This also depicts how risks can be further interpreted as opportunities to better circumstances both internal and direct to your business, as well as those that would seem more external or indirect.

4.2.3.2. Transition to a Low-Carbon Economy and Climate Sensitive Financing

Investment in renewable energy and the transition to a low-carbon economy has also been an emerging theme amongst all five companies’ reports. In the earliest of publicly available Scotiabank reports, they disclosed that Scotia Capital had approximately $1.1 billion in authorized credits to the renewable energy sector in Canada *(Scotiabank, 2010)*. BMO’s earliest mention of renewable energy investment was seen in their 2007 report, stating the company was a leader in the financing of Canadian renewable energy projects *(BMO, 2007)*. CIBC followed suit the next year in their 2008 report, stating that CIBC World Markets has raised or extended over $3 billion in capital for renewable developers since 2002 *(CIBC, 2008)*. A few years prior, RBC mentioned their recognition of the opportunities in the alternative energy sector. In their 2004 report, RBC disclosed they had already begun financing wind farms in Canada, the US, the UK and Italy *(RBC, 2004)*. Lastly, TD’s first mention of investment into renewable energy took place in their 2008 report *(TD, 2008)*. Having moved past simply purchasing renewable energy for their own operational consumption, TD disclosed that a 2009 priority was to establish a “Renewables Roundtable” to enhance expertise on the opportunities within this area *(TD, 2008, pg.102)*. It was in their 2010 report that financing renewable energy began making a true
presence (TD, 2010). Since these initial appearances in the mid to late 2000s, the focus on the transition to a low-carbon economy has grown exponentially.

While the transition towards a low-carbon economy is increasingly present, financing carbon-intensive sectors still remains a prevalent and thriving space of investment and lending for the banks. This topic, mentioned briefly within reports, was brought up in the interview phase of the research in order to gain a better understanding of the stance and perspectives behind how the Big Five seem to be approaching such a sensitive and complex issue. Found in TD’s 2018 ESG Report, the following statement acknowledges the role the bank plays and the stance they take in approaching this transition:

We believe that responsible development of our natural resources must balance environmental, social and economic considerations. As such, we believe that immediately stopping or starting projects in environmentally sensitive sectors is not in the best interests of the bank or the communities in which the bank operates… As a North American bank, we know we need to balance the economic considerations of transitioning to a low-carbon economy with the growing urgency brought forth by climate change. Accordingly, our approach includes supporting conventional energy sources that fuel North America’s current economic vitality, while investing in low-carbon innovation aimed at supporting a more inclusive and sustainable tomorrow. (TD, 2018, pg. 12)

A similar outlook is seen in BMO’s 2018 ESG Report:

Given the growing concerns about climate change and the current focus on the amount of environmentally sensitive lending provided by financial institutions, we’re assessing how best to expand our climate-related disclosure. The Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board, has highlighted the importance of expanding disclosure in this area. See our TCFD Index on pages 64–65. For the second year, we’ve included a chart in this report that shows our lending to the natural resources sector, as an example of our involvement in environmentally sensitive industries. (BMO, 2018, pg. 38)

These projects and lending practices are mentioned to varying degrees throughout the Big Five’s recent reports, as each bank plays a varying role. RBC outlines and details their lending to climate sensitive sectors thoroughly, breaking down their lending by sector (RBC, 2018, pg. 73). CIBC briefly outlines their loans in environmentally sensitive sectors with discussion to a lesser degree than the other Big Five (CIBC, 2018, pg. 22). Scotiabank chose not to include a discussion or breakdown surrounding their environmentally sensitive lending, and rather focused on disclosing their “…year of sustainable energy transactions”, outlining their 2018 renewable
energy financing (Scotia, 2018, pg. 42). Scotia is an outlier in this particular space and has not included this breakdown in any of their publicly available CSR or Sustainable Business reports (2010-2018).

In the early 2000s, lending to environmentally sensitive projects was not present within the Big Five’s reporting, and so what can be inferred from the current reports is a greater level of transparency. For example, in their 2002 report, BMO makes mention of lending once. Thus, in order to gain further insights, a number of interviewees were asked their perspective on this subject. The findings from the interviews across the Big Five echoed that of TD’s and BMO’s stance in their reports.

“… We’re all in agreement more or less about there’s a global transition… man-made climate change is an actual thing. We can contribute to it through certain activities and there’s a global effort to try and curtail activities that you know, add to that problem in a way that could you know imperil the entire planet… and everybody’s basically aligned on that, but the trick is how is that transition going to unfold and what’s it going to look like during it.” (Participant 9)

This same participant goes on to expand upon what they believe the bank’s role is in helping this transition:

“…and so I think our role is to work with our clients to help navigate this transition and to do it in a way that reflects legitimate realities of the economy, reflects the social realities of jobs that exist and communities that rely on economic activity. And our role is to support our clients, but also to have a view to these realities that are affecting our own judgments about our strategies and activities and should also be affecting our clients’ views and they are. So you know… all that’s to say is, do I see things changing over time? Undoubtedly they will.” (Participant 9)

When asked about complete divestment from the more carbon-intensive sectors, Participant 9 posed an interesting insight and a further question to consider:

“Yeah you could, but I mean, you know, query whether you’d be a free rider if you did that… because if this economic activity is happening and it’s… and the resource is going to be sourced from somewhere, but you just don’t finance it because you don’t want to be associated with that… well someone else is going to finance it and it’s going to be sourced from somewhere and are they going to be responsible and are they going to have these kinds of dialogues about these sorts of issues?” (Participant 9)

A similar sentiment was shared by another interviewee:

“I do think a company like [bank] is best positioned to make change and like increase sustainability globally if we maintain those relationships and just use our power to
influence those companies to do better... and I would say like it’s still early days, but I can see like pretty good changes already coming.” *(Participant 8)*

“There’s global implications to that. Just because we shut down the oil sands doesn’t mean that the oil market is going away...” *(Participant 8)*

These types of conversations and dialogues will be discussed further in the following chapter.

### 4.2.3.3. A Sustainability Lens for Holistic Business Focus

The Big Five occupy a unique position within the economy, in that they are primarily serviced-based and hold tremendous amounts of capital. This topic was brought forward by one interviewee, tying in both their potential for impact upon environmental and social realms:

“…we don’t have a big supply chain. Banks are not generally... we don’t really produce stuff... but even stuff like flags or sponsorship material. There’s stuff that we should do, we should keep on top of with our vendors to make sure that human rights is properly addressed and even environmental. So we do look through new ROPS all the time to make sure that there is like... it is screened with a sustainability lens.” *(Participant 2)*

ROPS – recognized overseas pensions schemes – we’re utilized by Participant 2 as a way to demonstrate how sustainability outlooks are permeating what the bank actually provides to its customers.

The relationship between climate, sustainability, business, and a long-term outlook is also demonstrated through the report analysis and interview portions of the research.

“I think like many sustainable development issues are topics are long-term in nature I mean climate change being one of them. Uhm but that... our... we’re working on the climate change strategy right now and that doesn’t... just because climate change is a long-term issue doesn’t mean that there isn’t things that organizations can be doing now in order to address climate change and it also doesn’t mean that we’re not going... that an organizations not going to be affected by climate change until the long-term... Many organizations are being affected now already by climate change.” *(Participant 1)*

This demonstrates not only the importance of environmental considerations, but also exemplifies the ties between long-term outlooks and the many sustainable development issues at play within the Big Five and organizations more broadly.

The following dialogue embodies the idea of combining the majority of the framework’s elements - long-term outlooks, environmental consideration and still understanding social implications, as well as your company’s strategies:
“Like your business won't continue being a business if climate change continues to a certain point and so I think that has helped reframe the conversation in a way that businesses are now taking that more serious for their long-term planning.” (Participant 11)

Participant 6 echoes this same train of thought, making reference to the fact that we live within one big ecosystem and business is not exclusive of that. “What holds the community is the environment” (Participant 6) perfectly exemplified the interconnected nature of all systems both internal and external of a business. Another interviewee expressed a similar sentiment that there is a growing appreciation that the E and S and G of “ESG” cannot be considered as separate from one another, but rather as a whole:

“Because I think there’s also an appreciation that, you know, things that are social are also environmental and things that are governance are also social and… haha… there’s not the clear lines.” (Participant 7)

4.2.4. Perceptions and Motivations

The last of the four criteria which distinguishes corporate sustainability and corporate social responsibility is the motivations behind and perceptions of these ideas. Under corporate sustainability, implementing sustainable measures within business provides a corporate strategy and potential competitive advantage for your business. These ideas are shared in the Big Five’s reporting, but are particularly present in the interview phase when Big Five employees were asked about the role and function corporate sustainability serves. What can be seen within the Big Five is that strategies are being implemented that in one way or another, alter the way they do business. CSR however has a far less wide-reaching influence. Under the framework, CSR can be seen as only one part of a business, which contrasts corporate sustainability in that sustainability within business permeates all areas of business and affects the way a company operates, even CSR initiatives themselves.

In terms of what can be seen throughout the Big Five’s reporting, as well as what was expanded upon in the interview stage, the interviewees looked to CSR as a part of the business model, and CS as the way business is actually done.

“It doesn't mean philanthropy and our community initiatives are not a part of it - they are… philanthropy is still an important part of sustainable business but it's just one part of it.” (Participant 1)
The notion of strategic philanthropy and corporate giving was touched upon in interviews with Big Five employees. One research participant understands the way that philanthropy is evolving to more strategically-based within the banks as follows:

“So I guess under sponsorships one thing that's happening more and more… it's having more strategic sponsorships…. so like I said uhm…targeting young people, but also making your sponsorships more like partnerships so what can [bank] do to support whatever we’re supporting” (Participant 2)

What would typically be classified as a CSR initiative under the theoretical framework - donations and sponsorships - are now also being taken into consideration as more of a long-term, sustainable and strategic partnerships, both for the business and for communities or external companies. In this way, sustainable elements are being applied strategically to the ways in which traditional CSR initiatives would be done.

As previously mentioned, RBC is working on a new leadership model within the bank that focuses on sustainable growth and its implementation is seen company-wide (RBC, 2017). CIBC has what they call their Environmental Risk Management (ERM) group who are responsible for policy implementation across the company. Working with the bank’s various arms of business and functional groups, the ERM group helps to facilitate and implement best practices firm-wide (CIBC, 2017). Similar risk teams are set in place across all the Big Five. And while risk has always played a part in banking, environmental and social risk continues to grow within reporting.

In their 2017 report, BMO displays their outlook towards where sustainability fits within their business, “For our bank, sustainability is not an add-on. It’s at the heart of our strategic agenda” (BMO, 2017, pg.2). The ideas of strategy and changing the ways of doing business moving forward were also brought up during a number of different interviews:

“So it’s not as much about like how we... a part of the community and what donations we make, but more about actually doing… its systemically making change in the organization to advance sustainability.” (Participant 2)

“I think it’s maybe shifted a bit different where sustainability is now a business focus like we see it as a way to either make money, save costs or manage risks. So it’s not just like a feel-good program it’s like an actual business decision.” (Participant 8)
Along this same line of thought, the collaboration and tying in sustainability strategy throughout all lines of business were elaborated on by interviewees:

“...the term responsibility I think to me when companies use that suggests like a... still suggests legal compliance versus kind of the opportunity side that sustainability reflects. For us at [bank]... uhm... sustainability is as much about the opportunity that we as a financial organization can play in sustainable development as much as... it’s so much more than just our responsibility to be legally compliant or do philanthropy. It’s much more about the strategic side of it and how we can have a positive impact as well as mitigate risk, but it’s really both sides.” (Participant 1)

“...you know you’d make a donation and that would be it or whatever it was and you did it and you were done with that and now there’s a lot more interest in, you know, how can we put the full weight of the bank behind everything that we do…” (Participant 7)

“I view it as a continuum so corporate social responsibility is at the bottom of the continuum, covering things like philanthropy, giving back, volunteering, sponsorships, all of which are really important parts of a wider sustainability platform, but are kind of peripheral to the bank’s core business... Uhm and so I think that's kind of, you know, the base and as we move more towards sustainability you move more into, in my view, generating shared value for the community or the environment and your business. So it's really finding that overlap between economically beneficial initiatives for your business and creating value or positive impact or however you want to phrase it for society or for the environment.” (Participant 11)

“Because I think there is a tendency to think about corporate social responsibility as a bit more of... it doesn’t address all of the issues where is ESG kind of encompasses more of the business practices that your business goes through and what your business is trying to achieve.” (Participant 3)
Corporate sustainability as a competitive advantage was also discussed throughout the interview process. The idea that these types of holistic strategies can provide business with an advantage is becoming more commonplace:

“So once that kind of got out, other companies said hey we think like good ESG metrics actually translate into better financial performance. So that’s still ongoing but now there is a shift to and a good belief that companies who have good ESG data and performance will outperform the broader marketplace.” (Participant 8)

Within the banks, not only is there a focus on their own operations and strategies, but sustainability transitions that have moved beyond this. This idea is exemplified by one interviewee discussing the progression of sustainability through companies such as the banks, with a unique opportunity to drive change in other industries and sectors:

“I always see the evolution of sustainability in industries like… First you have to measure your footprint – then you have to manage it. And then you have to like figure out how your business actually like changes the way it works in order to like increase sustainability throughout your organization. So we’re like now entering that path where we have a good handle on our operational footprint and we know how to manage it. So now we’re using our products and services… like what the bank actually does… to drive sustainability in the marketplace. And that’s where someone like [company] can make a really big difference.” (Participant 8)

4.3. Other Findings: Corporate Report Analysis and Interview Results

A number of additional trends were identified outside of the four distinctive framework features. Language trends, the move towards ESG and the UN Sustainable Development Goals were evident in both the report analysis portion of inquiry and then further discussed when sitting down with Big Five employees. The Task Force on Climate-related Disclosures (TCFD), regulations, incentives and policies, as well as the advice for sustainable business transitions were topics covered heavily throughout interviews. These inductive themes serve also as potential spaces for learning – for banks, other companies in different sectors, as well as for future government policies, incentives and regulations.

4.3.1. Language Trends 2002 – 2018

There have been a number of trends in terms of language within the Big Five’s reporting between 2002 and 2018. Between a steady increase in the prevalence of “sustainability” and
“sustainable”, as well as title evolutions to reflect changing report contents, these trends were subsequently confirmed and further explained throughout the interview process with a number of interviewees.

The increasing prevalence of “sustainability” and “sustainable” are indicative of a language shift that has been slowly taking place within both Big Five reporting as well as their strategies and initiatives. The following figure (Figure 4.1) demonstrates the rising language trend in regards to the use of these terms within reporting. While year to year fluctuations occur both between and within the five companies, the overall upward trend is obvious. What can be inferred from this language shift is an increase in discussions around sustainability. The following chart is broken down both by report year and Big Five bank. These numbers represent both the presence of the term “sustainability” and “sustainable” as seen within the outlined reports in Table 4.1. RBC presents as the only outlier in this exercise, particularly when looking at the decrease in the latest reporting year. This decrease may likely be tied to their increasing focus on “ESG” and discussion regarding sustainability through this framing. This trend will be discussed at greater lengths in the following section.

Figure 4.1: “Sustainability” & Sustainable” Term Presence within 2002-2018 Reports
It should be noted that as it became evident many banks placed the report title at the top or bottom of every page, or every other page, a secondary search was conducted and modified to exclude the repetition of the title beyond the title page. Depending on the report year, the title could be present on each page or even twice per page at both the heading and footing. Website links and email addresses were considered to be excluded from the final count as well, however these links and addresses are indicators of how language is changing at the banks and therefore remained included. In addition to the exclusion of title repetition, any photo that was a screenshot of a previous or alternative report that included these terms in small text were also excluded from the final count.

Additional searches for the terms “social responsibility” and “socially responsible” (Table 4.2), as well as “responsibility” and “responsible” (Table 4.3) were conducted. With regards to “social responsibility” and “socially responsible” no obvious trend is present, with the exception of some variation within the banks themselves. In the case of “responsibility” and “responsible”, a slight upward trend can be identified, however towards the latter half of the timeframe analyzed there is an overall consistency or plateau. BMO is the outlier in this instance, whereby we can see an increase in “responsibility” and “responsible” in the last two years, much like “sustainability” or “sustainable”. In these instances it can be perceived that CSR language has remained more or less steady throughout the 2002-2018 time period.
Figure 4.2: "Social Responsibility" & "Socially Responsible" Term Presence within 2002-2018 Reports

Figure 4.3: "Responsibility" & "Responsible" Term Presence within 2002-2018 Reports
Working alongside this shift in language and prevalence in “sustainability” and “sustainable” is also the accompanying title evolutions. As demonstrated in the following table (Table 4.1), all five banks began with what was (and remains) the required Public Accountability Statement in the early 2000s. Soon after the initial year of reporting, these report titles saw quick change and began being titled Corporate Social Responsibility or Corporate Responsibility (CR) reports. The first major move past CSR or CR began with BMO in 2011, when they published what they then deemed a Sustainability Report, which was seen as a title that better aligned with its contents. This lasted only one year and since 2012, BMO has been titling their reports as Environmental, Social and Governance Reports. The remaining four banks only began following suit in the last few years. CIBC still remains a Corporate Responsibility Report in 2018. As of 2016, RBC transitioned over to what they were calling a Corporate Citizenship Report, to a 2017 Corporate Citizenship: Environmental, Social and Governance Investor Report, to the most recent 2018 Environmental, Social and Governance Performance Report. Scotiabank stuck with their CSR title up until this most recent 2018 report, where we see a complete revamp of their framing to what is now being called the Sustainable Business Report. And similarly, TD kept with Corporate Responsibility until their most recent 2018 report whereby now it is being named an Environmental, Social and Governance (ESG) Report. All five banks have now moved past CSR reports to sustainability, responsibility, or ESG. It is noteworthy too, that these reports are still separate from the Big Five’s main annual reports, implying that the sustainability lens is perhaps not applied throughout all reporting and business. The notion of integrated reporting, whereby companies combine their financial and non-financial disclosures such as an organization’s strategy, governance, performance and prospects over the short, medium and long-term, was mentioned in one interview by a Big Five employee. They indicated integrated reporting is a potential shift the banks are looking to make in the future, though as of now this remains to be seen.
Table 4.1: All Analyzed Annual Reports Released by the Big Five by Year and Title

<table>
<thead>
<tr>
<th>Year</th>
<th>BMO</th>
<th>CIBC</th>
<th>RBC</th>
<th>Scotiabank</th>
<th>TD</th>
</tr>
</thead>
</table>

60
<table>
<thead>
<tr>
<th>Year</th>
<th>Report Title</th>
<th>Accountability Statement</th>
<th>Report Title</th>
<th>Availability</th>
<th>Summary Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2002 Public Accountability Statement: This Is Our Community</td>
<td>N/A</td>
<td>N/A</td>
<td>Not Available to the Public</td>
<td>Accountability Report 2002: The Future Matters</td>
</tr>
</tbody>
</table>
These title transitions can be interpreted as demonstrating an evolution of language throughout and amongst the Big Five over this time period of reporting. While language may not always be a definite signal towards greater institutional change, a Big Five interviewee elaborated further on these evolutions:

"I think the change in language reflects the evolution of the strategy. And so I think historically corporate social responsibility has, as a term, fallen a little bit out of fashion… and used to refer to… uhm… well it’s very narrow in that it only seems to relate to social topics and is exclusive of environmental topics. And also implies sort of uhm suggestive of a strategy related to uh… an organization for philanthropic initiatives and community initiatives. I think uhm the term sustain… corporate sustainability… reflects that it’s a much more integrated approach. These are topics that require strategies that are integrated into our business… Like climate change and human rights.” (Participant 1)

This shift in language and titles can be understood then as representing greater change within the companies’ mandates. This statement is supported by the earlier report findings that depict greater institutional change in the ways in which these companies take into consideration more holistic operations.

“If you think about the term “responsible”… It’s kind of uhm… In some ways sort of patronizing right? You are responsible for this. Not that you take ownership for it, but that you should take ownership for it. Whereas ESG just refers to, you know, what you’re doing in the environment… around environmental, social, governance, right?” (Participant 7)

“Corporate social responsibility is now having a little bit of a lag in terms of popularity it's more about ESG and realizing that it's not about philanthropy or it’s not just about philanthropy and not just about donations it's as I said if the impact that your entire business can have in terms of lending in terms of.. For us you know debt restructuring, mortgage financing… making sure that our customers, unbanked or underbanked customers, are being addressed… and their needs are being addressed. Uhm, so all that to get back to your working question - we've actually just started to transition and start talking about ESG instead of corporate social responsibility.” (Participant 3)

“Corporate social responsibility I think is an older term I would say, antiquated in many respects, and now largely viewed as about being about charitable giving…. which I don't think is squarely… it could be part of it because there's a community engagement dimension to that but, it's not synonymous with sustainability.” (Participant 9)

Getting to the root of one of the objectives of this research – clarifying a muddied area where responsibility and sustainability are used synonymously – two interviewees further confirmed the confusions of language in this area:
“So it's an interesting question. I think it's something that, you know, this space has struggled with in terms of what to call it or how to refer to it.” (Participant 7)

“It has gotten muddied like I always think sustainability more as the environmental lens and CSR more as the social lens but those two things have seemed to do kind of combine over the last couple years and that's just with I think both ideas becoming more mainstream.” (Participant 8)

One interviewee discussed the connection between responsibility and sustainability in the corporate realm in a way that presents them as supporting one another: “Corporate responsibility I think is a tool to help us uhm… sort of support sustainability. Like I find it like a tool.” Dropping the “social” and looking more so through a lens of what is the responsibility of a corporation, they understood the responsibility of a business as supporting sustainability transitions – again – highlighting that these two terms can work together, but are not synonymous.

“Corporate responsibility feeds into that commitment, but it's not at all the same. It helps to, you know, support the concept of sustainability, but I don't see them being the same. That's just in my mind.” (Participant 10)

4.3.2. Move towards Environmental, Social and Governance (ESG)

One of the major trends found within both reporting and during conversations with Big Five employees were the discussions around ESG. As mentioned, ESG means environment, social and governance. These three areas represent the three main topics incorporated within present day reporting. A better understanding of the role of ESG and its relationship with either corporate sustainability or corporate social responsibility became evident throughout the interview process. What has evolved as a shift from Public Accountability Statements to CSR to sustainability, the new focus on ESG poses as an additional insight or framing to present sustainability performance within the company. Many discussions were had and clarifications made when speaking with the Big Five interviewees, particularly in terms of the focus and role ESG plays within a company’s sustainability transformation.

“…on the move towards ESG and I think there has been a buy-in from all levels to, as I said, move towards and recognize that CSR is not holistic enough concept for the bank…and that really, we need to think about ESG and sustainability and, as I said, the entire impacts that our business has… you know our taxes have a big impact… you know
things that people wouldn't necessarily think of when they do think about CSR.” (Participant 3)

“ESG is more about how is an organization performing and how do we understand it as a sustainable organization… versus the responsibility it has to its external stakeholders. And I feel like maybe… corporate social responsibility is little bit more about the giving back kind of idea, if I were to be really reductive. Whereas ESG is more about performance and how we actually are contributing to not only building a sustainable organization and managing risk appropriately, but also you know how… how are we contributing to the larger context as well.” (Participant 4)

From further conversation, it became clear that ESG presented as a further breakdown of sustainability elements within business, particularly where investors are concerned.

"…which is what investors are looking at and the way I kind of reconcile that is for an investor interested in evaluating the performance so E, S and G are dimensions of sustainability that they evaluate.” (Participant 9)

“I would say that it… ESG kind of encompasses sustainability… they go hand-in-hand if you will.” (Participant 3)

### 4.3.3. United Nations Sustainable Development Goals (SDGs)

The inclusion of and reporting against the Sustainable Development Goals (SDGs) became present within a year of the United Nations’ release of the 17 goals. In 2017, four of five banks were reporting and mapping against the SDGs and in the latest 2018 reports, all five banks are now reporting against and addressing how what they do contributes to making these global objectives more attainable. Having seen this emerging trend across all of the Big Five in their recent reports, the rationale behind their inclusion was asked of interviewees.

When discussing why the SDGs had been picked up by the Big Five so quickly, the majority of employees felt as though they presented a relatable and easily understood framework. For years, the banks have been reporting against voluntary standards such as the Global Reporting Index (GRI) and Sustainability Accounting Standards Board (SASB) recommendations. The SDGs however provided another way of looking at the companies’ actions:

“I think it’s the first global action call really that companies feel like they can be involved in. I think it’s… they were set out in a very realistic way that allow nonprofits… individuals… countries… but also organizations to actually get involved and actually be
able to put their mark on something and say yes we can… we can achieve this, we can put our name behind this and agree to support this.” (Participant 3)

However, these perspectives were not shared by all interviewees. One participant shed light on the difficulties in integrating the SDGs within business frameworks:

“The SDGs are made… if you read them… a lot of them apply to government and it’s really hard to integrate into your business.” (Participant 2)

Despite their hesitation, this same interviewee understood the importance of the SDGs at the business level, and felt that what needs to be done is that companies need to map their existing strategies to the goals and understand how what their currently doing can be reframed to assist in achieving the most relevant goals to their operations and strengths.

In terms of communicating results, when comparing the SDGs to other reporting standards such as the GRI and SASB which can seem foreign if not immersed in this field, the SDGs appear more relatable. One participant plainly stated what many others had also indicated:

“… you know… the SDGs are quite a bit different and I think they’re more approachable to the average person.” (Participant 7)

As already mentioned, the banks have a diverse group of stakeholders and therefore the annual sustainability or responsibility reports are read by a number of different people with varying roles and relationships with the banks. This being the case, the SDGs can provide another perspective for these groups to understand what is being done as well as why it is being done.

4.3.4. Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, created a Task Force on Climate-related Financial Disclosures which released its recommendations report in the summer of 2017 (Task Force on Climate-related Financial Disclosures, 2019). Much like the quick uptake of the SDGs, the TCFD recommendations were also adopted by the Big Five within the year. In BMO’s 2018 report, the bank discloses its incorporation of the suggested practices and voluntary reporting, including not only discussion around this emerging trend, but a detailed TCFD Index (BMO, 2018).
Scotiabank and RBC’s attention to the TCFD is similar to BMO, in that not only do they express support, but also discuss the role of the recommendations at length and also provide TCFD Indexes in their 2018 reports (Scotiabank, 2018; RBC 2018). Similarly, TD expresses their support and participation with the TCFD and provides a link to a complimentary TCFD report (TD, 2018). CIBC makes mention of their support for the TCFD in their 2018 report, stating that they will continue to evaluate the potential for further disclosure alignment with the recommendations. However, no following discussion or index was present (CIBC, 2018).

In interviews, the general consensus was not only continued support for the voluntary recommendations, but also a prediction that the TCFD will play an increasingly prominent role in influencing disclosures within the Big Five as well as within businesses around the world. In all of the following discussions, the interviewee brought up the TCFD unprompted by the researcher and therefore it could be inferred that the TCFD is already playing a very significant role:

“Okay so the Financial Stability Board, which is like this global financial body, released this Task Force on Climate-related Financial Disclosures…So that’s like the big new thing in terms of uhm like how companies are supposed to be reporting. And it’s gotten like massive uptake already. It’s only going to get more prominent so that will probably be like the framework that all companies globally will use to like disclose their environmental metrics.” (Participant 8)

“I think the big thing that a lot of banks will be talking about right now and that they're very focused on is the TCFD recommendations… and so I think it's uhm for us we've just started reporting against these recommendation in our annual report and you'll see more in our sustainability report.” (Participant 1)

One interviewee felt as though one of the reasons the TCFD incorporation was taking off so quickly was the influence of peer companies. Participant 2 mentions how the TCFD and climate will continue to become a “bigger deal” and stated:

“…if you look at TCFD like, everyone jumped on board because everybody else is jumping on board…” (Participant 2)

The notion that the TCFD will aid in bettering business strategy and influence the ways companies move forward was brought up by a number of different Big Five employees:
“With the TCFD and others I think there's some really interesting at least in our sector, some really interesting initiatives that actually are attempting to quantify that risk so that people can actually build better strategies” (Participant 4)

“With the TCFD I find it has been really helpful in reframing that conversation because sustainability, I think, until the TCFD recommendation came out, was all about the impact that your company is having on the environment… TCFD reframed it to say what's the impact that climate change and environment will have on your business.” (Participant 11)

Participant 11 frames the role of the TCFD and climate change on business in a way that allows for the environment to be thought of from a new point of view. Being able to quantify risks that in the past, were not easily expressed, allows for an even more thorough consideration of the environment within business strategies. Between the increasing presence of TCFD in reporting and the number of participants who, unprompted, thought to discuss the newly emerging reporting framework, it can be inferred that the TCFD will continue to play a major role in financial strategy and disclosure into the future.

4.3.5. Regulations, Incentives and Policies

Towards the end of all interviews, participants were asked if they believed any type of government intervention would prove helpful in urging businesses to act more sustainably. The types of intervention provided as examples were government regulations, incentives or policies.

As Canadian banks, the Big Five are heavily regulated companies and in this space, the PAS regulations served as a catalyst for this type of reporting. The question was posed to inquire not only about furthering the banks’ sustainability transitions, but also for other industries and sectors. The responses to this query varied – one either fell on the side of support for government intervention, or at the opposite end of the spectrum, feeling as though government would not be the body to encourage such shifts.

For those who are in favour of government support, reasoning ranged from increasing consistency and comparability in reporting and influencing greater implementation of sustainable strategies, to the benefits they can provide for businesses setting up new projects and testing technologies:

“There is no... like some companies use GRI some companies use SASB some companies use nothing at all. So there’s never a benchmark or comparison. There’s no legislation around what you’re reporting so I think that it would be very helpful if there was some sort
of legislation, some sort of policies in place beyond a public accountability statement that forced companies to report more and disclose more.” (Participant 3)

“Uhm well… regulated disclosure… I mean that's what the PAS requirements were and so any kind of regulatory requirements around disclosure certainly motivates companies because in order to disclose it that means you need to do it.” (Participant 7)

“I think the government incentives are hugely beneficial in helping companies take the risk to pilot new technologies that might be sustainable or even like retrofit something where it just helps make the payback... it helps bring the payback period and the ROI into the frame of yes this project can go ahead.” (Participant 11)

Participant 6 felt as though incentives, policies, regulations, etcetera very much depend on how people perceive sustainability and that people are driven by different things. Globally, we are seeing more and more regulations emerging, particularly in the EU, UK, and Australia. This particular employee believed it was the emerging regulations in those regions that make those clients ask more questions. These questions can then also influence business.

However, there were those who felt differently and believed it was other factors that influenced sustainability transitions. Specifically, the mention of peer companies or stakeholder groups were discussed by a few individuals in the following light:

“I mean for us like it's really just it's not about external incentives as much as it's about finding alignment between sustainability issues in our strategy and meeting the expectations of our stakeholders and so that's really what our strategy is driven by.” (Participant 1)

“I actually… I think the government requirements are usually… when they are placed they're usually at a very minimal like basic level. I actually think what drives uhm what would drive more disclosure and more reporting or more initiatives uhm is actually pressure from what other people are doing” (Participant 2)

The extent to which an external party can influence business, and who those parties are, vary across interviewees. Though despite the differing responses, government intervention should remain an area to be further explored. While a couple of employees felt that stakeholders and other businesses had large influences on company change, many still felt that there is a role for government to encourage these transitions.
4.3.6. Advice

To close out all interviews, interviewees were asked a relatively broad question. With the hopes of seeking advice, Big Five employees were presented with a situational question: If they were to be asked by a friend, a business, or someone from another industry, for their advice on how to begin implementing sustainable strategies into their business, what would they advise? In their responses, there were a number of common messages. One of which being the importance of leadership:

“What I always find is when you have strong awareness at the top level is the most beneficial and we're really fortunate… our CEO and our Board of Directors uhm very much have a strong understanding of what these issues are and including climate change, and they're talked about. What I find is challenging for sustainability teams within companies is when they don't have this top-level leadership.” (Participant 1)

“I think really the secret there is in pretty strong leadership and actually setting an achievable goal and vision.” (Participant 4)

“…finding a champion at the top I think is really helpful. It's a whole culture change that needs to happen in a lot of companies and grass roots or bottom-up initiatives like green teams and that kind of thing can be really impactful, but I think… If it's coming from the top you'll get a lot more buy in…” (Participant 11)

The implementation of sustainability within a company as a journey and culture shift (Linnenluecke & Griffiths, 2010) that needs to start at the top was a commonly mentioned approach by interviewees. Having executives on board for something so material to your business was a key element for sustainability embeddedness. Through these dialogues with Big Five employees, it seemed as though without this top-down approach, or C-suite support, attempting to integrate sustainable strategies will be faced with more pushback, or less attention and acceptance.

Suggestions were also provided for smaller companies, or companies looking to integrate more sustainable strategies, including to build a business case like you would for any other decision. Moving away from the “do good feel good”. This same idea was mentioned by another interviewee:

“… Have an idea with a viable business case… if you're trying to pitch an idea to someone without a sustainability background you need to speak their language and show them the benefit for their business. Like you shouldn't even really use the word sustainability because it's kind of peripheral you know…” (Participant 11)
Another common theme that emerged when answering this question was the idea of incorporating these elements into the core of your business (Zimmermann, 2019). Focusing on what you are already doing and what your business’s strengths are seen to be an important message conveyed by some of the participants. What seemed to accompany these lines of advice were also the ideas of being realistic and dedicated:

“I would say start small. I think sometimes companies try and bite off more than they can chew. Uhm you know, pick small goals and commit yourself to them and that's how you can make a real difference. Otherwise I think like I said you bite off more than you can chew and you end up with half-baked projects, half-baked plans and half-baked goals.” (Participant 3)

“I think aligning your initiatives to the purpose and kind of the soul of the organization is really important because you can't do everything. So you need to pick where you can have the most impact and what's going to resonate and be the most meaningful you know internally and externally.” (Participant 7)

“Stand back and say what are we trying to do… like what do we need to do to... what are our risks, what our opportunities and how do we mitigate the risk and how do we enhance the opportunities.” (Participant 10)

One interviewee spoke to this advice in terms of the growth from CSR to CS:

“Yeah I would say a lot of companies start off by trying to donate to... they start off with philanthropy… and then one step above that is we’ll donate to things that are relevant to us… but I feel like it sort of stops there especially for new companies. So I feel that sustainability should be a little more directed towards your actual business internally and your operations and I think what's often forgotten is governance…” (Participant 2)

The importance of operating and evolving in way that listens to the voices of your stakeholder groups was again mentioned. This particular participant felt as though stakeholder engagement was the first step in transforming your business, but also highlighted the significance of peer groups and global standards within whatever particular sector your business operates:

"Yeah I would say engage with their stakeholders. That’s going to be an important first step, and try to understand what's important to them. Look at what their peers are doing that's going to be helpful as well and then try to tie what they do to global standards that can help define what's relevant for their sector or for their business.” (Participant 9)

These pieces of advice transcend any one industry. Beyond banking, having a strong leadership team supportive and understanding of sustainability seemed to be the most common response by interviewees. Understanding sustainability as a part of your business, and further to that,
understanding that stakeholders and peer companies are great sources to learn from, were also presented as important aspects to consider.

4.4. Conclusion

Both the report analysis results and interview findings have been presented in a way to demonstrate their greatest trends. When looking through the researcher-created theoretical lens, it is evident the Big Five are moving towards greater incorporation of sustainability within business. This does not however discount the continued corporate social responsibility initiatives still taking place. The results of this research also serve to support the CS vs. CSR theoretical distinctions.

The analysis of 75 Big Five reports dating back as early as 2002, alongside 11 interviews with Big Five employees has allowed for a deeper understanding of how companies can move past more easily implemented CSR initiatives and begin to put their own operations and strategies under review. While corporate giving and philanthropy remains an important aspect of the banks’ business, corporate sustainability is discussed as a separate concept by all participants involved in the study. With the ability to influence all facets of a business, sustainability allows for business operations in and of themselves to become more holistic in their considerations and lead to greater resiliency in complex, ever-changing times. Ultimately, both the report and interview findings tell a narrative whereby corporate sustainability is becoming far more prevalent and the importance in doing so is environmental, social and in turn beneficial for business.

When looking to the origins of what is now far more comprehensive reporting, the progression over time and the transition towards more sustainable business practices within the banks is evident. From primarily socially and economically focused Public Accountability Statements that transformed for a period of time to Corporate Social Responsibility reports, we are now seeing that all five companies have moved past these more limiting titles and styles of reporting. All five of the Big Five now have either ESG, Sustainable Business, or Responsibility as their report title, dropping any limitation corporate social responsibility may have posed when compared to the actual content of their strategies and the reporting of such. However with this in mind, there is always room for growth and greater evolution. RBC for example is “investing in for-profit enterprises and funds that deliver positive social and environmental impact through the
$10 million RBC Generator” (RBC 2016, pg. 59). Like many other newer investments being made by the Big Five, such as investments into revitalizing communities and environments, these shifts in business focus are being increasingly made. Yet, when we pin this number up against the billions made, moved and invested, $10 million is a very small percentage. It is these initiatives that can be learned from and used to understand more fully how sustainability can become incorporated within corporate fabrics to a greater degree.

CSR initiatives are still an important part of business, particularly within companies that are stewards of capital within Canadian and global economies. Charitable donations, sponsorship, taking care of employees, and so on are still aspects of business disclosed in these reports. However, alongside these longstanding initiatives, we see such things as not only the consideration of the company’s operational footprint and emissions, but the consideration of their financed emissions. Influencing sustainability in the larger marketplace and supporting global sustainability initiatives such as the SDGs also demonstrates the broadened types of issues the Big Five are seeking to address. These are topics that were not once present in early year reporting and have now become a focus amongst the professionals within this area.
Chapter 5
Discussion and Recommendations

5.1. Introduction

The business realm is not independent of the environmental or social spheres. This understanding, while having been present to a certain degree for some time, is becoming increasingly adopted by the Big Five and has been the key theme of this research. This chapter discusses the results of this thesis at greater length while considering the contributions of this study. Placing this work within a larger context of studies conducted within the field will also demonstrate the value added from this particular research endeavour.

The findings of this study provide contributions to three main areas and as such, this chapter is composed of three sections. The first analyzes this study’s results as it relates to the researcher-created CS vs. CSR theoretical framework. Placing these findings up against the framework demonstrates support for these distinctions and the understanding that CS and CSR are separate corporate concepts, uncovering how sustainability is perceived and differentiated from social responsibility within the Canadian banking industry. As further proof of the importance of this research, it is important to note that Bansal and DesJardine (2014, 2015) Bansal and Song (2017) and Montiel (2008), as well as several interviewees, draw out concerns about the fact that CSR and CS are often muddled together. The second portion of this chapter examines the Big Five’s sustainability shifts. While these results demonstrate a move towards greater sustainability integration within the Big Five and a more comprehensive understanding regarding the importance of embedding sustainability within business, it also uncovers the need for further incorporation across business more holistically. The last section of this chapter discusses the advice, suggestions and recommendations put forth by Big Five employees within the field regarding the implementation of sustainability. Addressing the practical advice contributed by these professionals helped to inform recommendations for industries at large, as well as for government, to aid in the process of furthering the sustainability platform across sectors.
5.2. Theoretical Framework and Current Business

The 2000s have seen greater focus in the academic literature on the importance of sustainability and its place within business. This thesis specifically contributes to the more recently burgeoning topic that seeks to clarify the meaning of corporate sustainability and how it differs from other business concepts, specifically corporate social responsibility.

In 2011, Laughland and Bansal published an article discussing why companies are not more sustainable, and why they tend to lean towards corporate social responsibility. While the findings of this thesis recognize shifts to sustainability, it was this publication and others of Bansal’s that laid the foundation for this research. Since the 2011 publication, Bansal has focused her work on corporate sustainability and has discussed the differences between these two phenomena in the corporate realm, highlighting why sustainability is not social responsibility (Bansal & DesJardine, 2015). In recent years, there have also been a handful of other articles that look to understand the similarities and differences of corporate sustainability and corporate social responsibility as well as discuss their convergence and confusion (Bansal & DesJardine, 2015; Bansal & Song, 2017; Montiel, 2008; van Marrewijk, 2003). Where this research adds value to this past work is in the creation of what aims to be an easily accessible, easily understood framework that draws together the findings of all these works and that is applicable across spheres – academic, government and business – allowing for various audiences to understand the distinctions between sustainability and social responsibility in business.

The findings of this research support both the researcher’s CS vs. CSR theoretical framework as well as the literature used to inform its creation. As demonstrated in Chapter Two, many academic pieces were consulted in the formation of this framework and as such, this research supports the arguments put forth in past work and recent findings. Bansal and DesJardine (2014) argue that what sets sustainability apart from all other similar business phenomena is its consideration of time. With timeframe being one of four key pillars in the created theoretical framework, this work exemplifies the importance of time through report analysis and interview findings. Between the incorporation of forward-looking statements and the increase in discussion around the impact of “long-term investments” and “long-term business decisions”, the relationship between corporate sustainability, time, long-term horizons and balancing current and future generations was present in both analysis phases of the research.
Apte & Sheth’s (2016) work on the relationship between corporate sustainability and stakeholders was further echoed in this research’s findings and served as the second of four pillars in the framework. “The only path remaining in today’s market to achieve long-term success is to fully embrace sustainability – the practices that put a business in harmony with its whole ecosystem and environment – with all of its stakeholders in a 360-degree arch of reciprocated engagement and shared success.” (Apte & Sheth, 2016, pg. 11). The results in Chapter Four parallel this sentiment. What began in early years as minimal discussion in reporting surrounding stakeholder engagement, now has the majority of the Big Five reporting extensively in this area. Interview results indicate that all interviewees acknowledge the important role stakeholders play in business, particularly investors on their influence to embed sustainability within banking and business decisions.

Apte & Sheth (2016) also indicate the need for the natural environment to have a seat at the table. Serving as the third pillar of this work’s framework, a holistic outlook of business, one that incorporates not only social, but environmental impacts (Bansal, 2005) sets CS apart from CSR. This distinction has too been highlighted in the findings. Report and interview results point to the Big Five considering E&S Risk in business operations more than ever before. As signatories to the Equator Principles, understanding the impact business has on the environment, and vice-versa, environmental (and social) considerations are being met with greater attention. As illustrated in the results, responses on topics related to sustainability ranged from energy dialogue to human rights concerns.

The last pillar to stem out of the literature is that corporate sustainability serves as an all-encompassing corporate strategy, whereas CSR has become a norm or expectation by business and society. This lens also dictates that CS can serve as a competitive advantage (Apte & Sheth, 2016; Bansal & DesJardine, 2014; Russo, 2003; Chan, 2005). The shifts in Big Five report contents, titles, and dialogues with their employees indicates this distinction from CSR. Scotia’s 2018 switch from their long-standing “Corporate Social Responsibility” report titles to “Sustainable Business”, and their mentioned rationale for doing so gets to the heart of this pillar. Corporate sustainability is being perceived as getting to the core of business – supporting both the resiliency of business as well as society and the environment.
Another motive behind the framework’s creation was an attempt to help to bridge the research-practice gap (Bansal, et al., 2012). A notable and ongoing hurdle between academia and the fields in which they study is that often times the findings in the academic world struggle to be conveyed and utilized by the field they wish to contribute to. The framework is compiled and discussed in a way that aims to target audiences across fields. Further, the framework was used to help formulate questions for the interviewees and by so doing, the key characteristics were confirmed through interview responses. The framework, along with the findings uncovered when analyzing the Big Five, will be disseminated at the culmination of this work to all participants.

The framework also helped to demonstrate what is understood as a recently emerging disparity between academic literature and how these notions are perceived within contemporary company contexts, particularly when comparing CSR literature to current practice. A number of interview participants signaled that they felt the “social” aspect of CSR was a limiting factor to this concept. These interview findings helped to support the theoretical framework in that the associations between CSR and philanthropy were further exemplified. The previously examined CSR literature that helped to inform the framework demonstrates an evolution of CSR, where its scope has been broadened to a concept that is far more “umbrella-like”. This framing, however, was not evident within results, as the perceptions of current employees indicated that CSR is being associated with its roots of philanthropy ie. donations and sponsorships. Further, the arguments for keeping CS and CSR as separate concepts which have emerged in more recent articles (Bansal & Song, 2017; Bansal & DesJardine, 2014) are indeed also present within the business world as was evidenced by interviewee responses.

Ultimately, the literature that helped to inform this research’s theoretical framework was further supported by the findings of this research, and in turn the relevancy of and need for this framework was also confirmed.

5.3. Shifts to Corporate Sustainability

The theoretical contributions of this work are coupled with contributions made by focusing on the Canadian banking sector and the transitions towards sustainability within their business. Banks and financial institutions more broadly have indeed been the study subjects in past research relating to CSR, sustainability, environmental and social topics, reporting, and so on (Scholtens & Dam, 2007; Rice & Peter, 2015; Khan, Islam, Fatima, & Ahmed, 2011; Turley-
McIntyre, Marchl & Stasuik, 2016; Bollas-Araya, Segui-Mas & Polo-Garrido, 2014; Bonifacio-Neto & Branco, 2019). However, to the best of the researcher’s knowledge, no research has been done which narrows in solely on the Canadian Big Five and their perceptions of and transitions towards corporate sustainability integration. Weber (2012) and Weber & Kholodova (2017) have done work most similar to this research, with findings that support one another and these most current findings. Looking more specifically to environmental credit risk management within Canadian banks and financial institutions, Weber identifies the increasing integration of environmental consideration in financing in 2012.

Weber and Kholodova’s (2017) more recent research looked again to the relationship between the broader Canadian financial sector and climate change. Their findings demonstrate similar themes of sustainability transitions to the findings of this thesis. Much like the results found in this research, they found that these companies understand climate change to present risks and opportunities. Other similar sustainability themes were found between projects, such as the role these companies play when financing both high-emitting industries, as well as the involvement in the transition towards a low-carbon economy. Where this research adds to Weber and Kholodova’s findings is the expansion to include social and governance topics, and looking to sustainability more broadly, understanding it as a business strategy and investigating these transitions over a longer time period with more updated and recent results.

The unanticipated insights into the complex energy transition issues faced by the Big Five help to highlight the ongoing process of integrating sustainability within all business decisions. While this work demonstrates a certain shift towards greater sustainability framing within the Big Five, this transition is ongoing. Literature dictates corporate sustainability serve as strategy (Zimmermann, 2019), and yet when fossil fuel and renewable energy financing discussions arose, it was evident there is still much room for growth. In the Banking on Climate Change 2019 report, it was disclosed that together, the Big Five have financed $454 billion worth of fossil fuel projects, $160 billion of which has gone towards the expansion of new fossil fuels in Canada and around the world (Rainforest Action Network et al., 2019; Price, 2019). RBC stands out further as the world’s top banker of tar sands (Rainforest Action Network et al., 2019) These insights, framed in this way, cast a very different light on the Big Five’s role in the energy sector when compared to what is disclosed in their reports. As demonstrated in Chapter Four, the common theme within reporting and interview findings regarding energy and investment is
“transition” itself. Rather than divestment from these companies, the idea that maintaining these relationships to help influence sustainability considerations and transitions was put forth by interviewees. The perspectives provided by the employees where this topic was discussed were, in part, expected. This explanation, whether it provides the Big Five with justifications to continue financing, also provide insights of divestment implications that cannot be ignored. And while Big Five reports demonstrate a greater focus on and investment in renewable energy projects, it is evident that major investment into fossil fuels will persist. Despite this, the presence of this ongoing transition also needs to be recognized and appreciated.

The findings demonstrate that while shifts towards corporate sustainability have progressed between 2002-2018, there is also evidence to suggest this transition is not yet complete. When understanding this shift through the lens of the CS vs. CSR framework, results support an increase in long-term outlooks, continued integration of present and future stakeholder considerations, increasing environmental and social discretion, as well as sustainability strategy understanding. Yet, these four pillars would not appear to be transitioning at the same time. As presented in the case of energy financing, the environment as well as applying the sustainability lens to all decision making is not yet seen.

Ultimately, this research provides greater insights on the distinctions between CS and CSR within the Canadian fabric, therefore providing both theoretical and practical contributions. Applying the framework to some of Canada’s largest companies also allowed for a greater understanding of how sustainability transitions can transpire within business and contributed to the understandings of how sustainability can be furthered within other industries.

5.4. Recommendations for Government, Banks and Industries at Large

5.4.1. Building on Advice

A number of practical implications can be drawn from the results of this work, particularly when looking to the advice given by the Big Five participants. These suggestions are also used to help formulate the recommendations to follow.

First and foremost is the emphasis placed on the importance of an engaged and supportive leadership team. In the case of the Big Five, this is the team of C-suite executives and the Board
of Directors. This finding aligns with previous research where the importance of leadership has been long acknowledged (Minkes, Small & Chatterjee, 1999; Groysberg, Kelly & Macdonald, 2011). In a number of places, interview results highlighted the influence that leadership teams may have on sustainability uptake. From this, it can be inferred that leadership remains an important element to progress corporate sustainability across industries. Many participants spoke not only on behalf of their experience working within the Big Five banks, but carried experience from previous positions held outside of the banking sphere.

Additionally, this research implies that achievable, relevant goals that resonate with the core of your business are key to successful sustainability integration (Zimmermann, 2019) and therefore, despite industry or sector, there is a place for sustainability. This notion was exemplified by Big Five employees in their interviews. Whether in a unique position like the Big Five to foster sustainability in the marketplace by way of financing, or within the retail sector with the capacity to make instrumental change within your supply chain, sustainability can be integrated in all types of business. This connects back to the idea presented in the theoretical framework, that corporate sustainability is a strategy (Bansal & DesJardine, 2014; Zimmermann, 2019), and not one specific type of action or area within the firm. Understanding sustainability in a given company and moving past CSR was also advice provided by a Big Five employee - admitting that it would often seem companies stop at CSR. The additional step of looking to your own business conduct and leveraging existing company resources is necessary - it is just a matter of understanding what needs to be considered and where your business is capable of evolving.

Insights such as these have helped to foster the recommendations for government, banks and business more generally that follow.

5.4.2. Recommendations

An objective of this work was to provide insight into the Big Five’s perception of corporate sustainability and corporate social responsibility in order to further promote the uptake of sustainability not only within business, but also government. Therefore, this thesis is about understanding what the banks are doing, and by so doing also learning lessons from these companies that can be applied elsewhere. The purpose of the research is not to uncover or seek out areas of improvement within the Big Five – but rather to understand how they have come to
understand corporate sustainability and operate in the ways they do, and how can that apply to other sectors and inform potential regulations, incentives or policies.

First, this research, along with past work on sustainability and responsibility reporting, demonstrates the important role of the PAS requirements set in place by the Canadian federal government on the advancement of reporting (Turley-McIntyre, Marchl & Stasuik, 2016; Weber, 2012). The early 2000s implementation of this government requirement influenced the reporting landscape in Canadian banking and nearly two decades after its introduction, the Big Five have moved well beyond the limited requirements of this regulation. Therefore, this research advocates not only for the updating of current requirements, but for greater sustainability reporting requirements across all industries. The PAS requirement, when discussed in comparison to present-day reporting content, is an outdated regulation (Downing, 2001) and yet it spurred changes that have continued today. As put forward by a participant of this research, if you are required to report, then in turn you are required to actually do something. This equal application of reporting regulations, along with the updating of current regulations, will allow not only for greater focus to be placed on sustainable business, but also foster greater consistency and comparability of reporting.

The need for greater consistency can also be seen where voluntary frameworks for reporting are concerned. The findings of this research observed an increase in voluntary frameworks and indexes used by the Big Five over the years reviewed (2002-2018). These frameworks include, but are not limited to the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Organization for Standardization (ISO), Carbon Disclosure Project (CDP), Task Force on Climate-related Disclosures (TCFD) and the Sustainable Development Goals (SDGs). Stakeholder groups, peer companies, and the international community all had a part in why these frameworks and standards were adopted by the banks. The international effort towards greater accountability of corporations to environment protection and social justice must become prioritized to a greater degree within Canada. Both small and large businesses can benefit from standardized sustainability reporting requirements, in that it obliges each company to consider its effects on domestic and international economies, communities and the environment.
It is suggested then that the international community consider supporting fewer, yet more all-encompassing, frameworks. The swift and successful uptake of the SDGs and TCFD by all Big Five banks indicate their relevancy and applicability to business, particularly in that they would seem to resonate within and outside of the banks. Continued incorporation of the SDGs and TCFD frameworks across all industries is therefore recommended. While the potential hurdles involved with business and the SDGs were mentioned by a participant in this work, the majority supported their incorporation and speak to the fact companies have an enormous role to play in helping to achieve these 17 international goals. The frequently mentioned and unprompted discussions surrounding the TCFD, also indicates the potential uniting role this framework can play in international climate disclosures. The SDGs can be utilized as a strategic framework for businesses to understand where their company operations align with sustainability and climate goals, and how they can further integrate these goals into strategic thinking moving forward. This research suggests that while these two frameworks target different audiences and while they may present limitations, they also provide a holistic foundation for considering and consistently reporting sustainable business operations on the international level.

Lastly, and building upon previous discussion, the power of stakeholder groups and peer company influence cannot be ignored (Wilson, 2003). This research exemplified, particularly in the interview phase, the pressures stakeholder groups and peers in the industry can apply to drive sustainability. As the public applies greater pressures and as expectations evolve with different generations, businesses should capitalize on these emerging trends and issues to better their business. This can be linked to previous recommendations for required and consistent reporting requirements, whereby providing the public with sustainability information can allow individuals to learn about what companies are doing, and therefore increase pressure to evolve where they see fit. It is these factors that can be leveraged in both the banking industry as well as across industries. Businesses must continue to increase communication and collaboration with stakeholder groups, while also consider expanding their stakeholder groups to be more inclusive. This communication can provide as a source for new and innovate sustainability ideas (Ayuso, Rodriguez & Ricart, 2006). This was seen to be reported on more comprehensively in recent Big Five reports and this trend would be helpful for other businesses to understand the most material issues at hand for their various stakeholders, beyond numbers and financials.
5.5. Concluding Thoughts to Consider

This research has led to a number of interesting questions to be considered. Ultimately, what has become evident is that it is not necessarily what your strategies or initiatives are called, but rather what it is your strategies and initiatives actually are. Whether a company is titling their report Sustainable Business, ESG or Responsibility, it is ultimately the content within the report that demonstrates the transitions and evolutions of the business into one that will remain resilient, providing benefits both within and outside company walls.

However, to this same point, if there is not a common understanding and consistency across fields such as academia, business and government, we are left questioning how to convey the need for greater sustainability integration within business and what exactly that looks like on a practical level. With this understanding it is argued then that aligning terminology and concept definition is an important step forward for sustainable business – a step this research hopes to help in achieving.

The employees interviewed within this field understood the differences between CS and CSR, agreeing with the distinctions the researcher presented them, and yet still recognized the confusion and entangled nature of this topic that has developed. While this research has sought to provide further clarity in a space that has becoming increasingly intertwined, research must continue to focus on this topic. The limitations of this study and suggestions for future research will be presented in the following chapter.
6.1. Summary of the Research

The objectives of this research were to: 1) Further the corporate sustainability distinction against corporate social responsibility in order to clarify its meaning and trends both within academic and corporate spheres, 2) Analyze how Canada’s five largest banks perceive and implement sustainable strategies and how they understand sustainability to differ from social responsibility, and 3) Investigate and identify areas where lessons can be learned for government and other industries. These objectives were necessary to answer the two research questions of this thesis: 1) What are the key distinctions between corporate sustainability and corporate social responsibility?; and 2) How do the Big Five Canadian banks currently perceive and implement sustainability in their operations and how can these insights foster the creation of future sustainability strategies, policies and incentives in other sectors and by government? By posing these questions and identifying the objectives of this work, what emerged was a greater understanding of not only what corporate sustainability is in contrast to corporate social responsibility, and the importance of its incorporation within business strategy, but also of how other industries can move forward using this set of companies as a case study to learn from.

The first major contribution of this work was the creation of an approachable, easily understandable theoretical framework which sets corporate sustainability and corporate social responsibility apart. Laying the foundation for the case study portion of this work, the first objective was achieved by looking at the key distinctions made between corporate sustainability and corporate social responsibility in the academic literature. The framework further clarified how these concepts differ from one another, and highlighted why these distinctions remain important. Once created, the framework was applied to the Big Five in order to gain a deeper understanding of how some of Canada’s largest companies perceived CS and CSR, and whether shifts had been made from CSR focused reporting and business to incorporating sustainability throughout the company, as hypothesized in other research results.

Findings suggest that beginning as the minimally required Public Accountability Statement in the early 2000s, the Big Five’s reports have evolved into comprehensive, holistic pieces no longer
focused strictly on Canadian economic and social impacts, but rather on how they are transforming business and driving sustainability in the greater marketplace. While a shift in language and terminology within Big Five reporting was present, it was ultimately the contents of these reports that saw the greatest shifts. When corporate actions were coded against the theoretical framework, it became evident that the topics within the annual reports were evolving and broadening in scope.

This research provides insights on how CS and CSR can be understood with further clarity moving forward in a number of fields – academic, corporate, government, and so forth. When examining the created framework against past and current reports and actions of the Big Five Canadian banks, it is clear that transitions towards sustainability are being made. As mentioned, the importance of corporate giving, such as sponsorships and donations, is not to be diminished or ignored, nor should these initiatives be abandoned. It was found that CSR is still very much prevalent within the Big Five, and in some cases, we are seeing these types of actions being undertaken with sustainability principles in mind, such as strategic partnerships and community investments. CSR therefore can be seen as influenced by CS, in that these activities need to be evaluated also through a sustainability lens. Applying sustainable strategies more holistically, as well as thinking through the sustainable elements of these more longstanding CSR gestures has and needs to continue to permeate all types of business.

Throughout the report analysis and interview processes, there were a number of key findings that demonstrate a greater prevalence of sustainability within the Big Five, as well as support for and understanding of the distinctions between CS and CSR. When investigating through the lens of the CS vs. CSR theoretical framework, there were clear shifts in explicit and implicit timeframes discussed. In early year reporting, the banks leaned towards discussions regarding what it was they had done in the communities and what they would continue to do. In the more current years, in addition to this information, what can be seen are discussions focusing on topics with future environmental, social and economic implications, such as renewable energy projects and the SDGs. Stakeholder engagement and participation became a greater focus over the years, where the majority of the Big Five are now not only listing their expanding set of stakeholder groups, but divulging what issues are most material to each group and how they go about maintaining communication with each group. A greater consideration of both business operations on the environment, and the environment on business, was a major theme that seems likely to continue.
What began as simple mentions of the environment and investigations into changes to operational footprints (e.g. carbon emission from retail spaces), has transformed to, in many cases, carbon neutrality and the move towards looking at financed emissions and the implications that lending and financing has on the environment. Lastly we see a greater understanding and shift from CSR and what the banks are doing, to how the banks are doing these things – demonstrating a shift to focus on the strategic nature of implementing sustainability. Not only did report findings support the researcher-created framework, so did the interview results.

A number of additional findings emerged when inductively analyzing the data. First, the move towards framing reporting around “ESG” – Environmental, Social and Governance was found. With this framing emerging in the last few years, it was questioned then subsequently concluded that ESG and sustainability are seemingly linked. Employees of the Big Five exemplified this relationship, demonstrating how the E, S and G components of reporting help to evaluate the sustainability of a business. ESG represent elements of sustainability in the business world that can be managed and developed to foster a more sustainably run company. This more holistic perspective is not afforded by the CSR lens and therefore it is posited by this research that corporate sustainability remain a guiding framework working in tandem with ESG. It is in this way that ESG and sustainability can work to ensure all corporate actions, including those classified as social responsibility, continue and develop in a sustainable manner.

This research also found that a number of new international indexes, standards and frameworks are influencing the ways the Big Five produce their annual sustainability/responsibility reports. With the emergence of the UN SDGs and the even more recent Task Force of Climate-related Financial Disclosures, the banks are continually updating and reframing the way they disclose. The value here is in the understanding that first, the Big Five are attempting to make their disclosures more accessible and relevant to the average individual (through mapping to the SDGs) and second, the uptake of the TCFD standards illustrates an increasing acknowledgement and long-term dedication towards the environment within the business sphere.

A final finding of this work, one which provides intriguing insights, were the pieces of advice given by Big Five participants. From the encouragement of government intervention and standards, to the importance of C-suite leadership, the participants of this research provided
meaningful and useful recommendations for the “hows” and “whys” behind sustainability within business.

As this study is the first to focus on CS and CSR distinctions and sustainability transitions solely within Canada’s Big Five banks, the methodologies employed and results of these inquiries provide important insights which can be learned from and utilized for future research in this area.

6.2. Limitations

Prior to discussing suggestions for areas of future research, it is important to understand the various limitations of this research. With respect to the participants of this study, the majority (n=10) sat within the Big Five’s sustainability, responsibility, corporate citizenship or ESG teams, with the exception of one individual. While this meant the participants were able to provide more thorough understandings and explanations of the initiatives and concepts that are the focus of this work, it did not allow for perspectives from individuals in other departments. In this case, the researcher was unable to gather how employees outside of these particular departments perceived sustainability to be permeating (or not) their particular role, department and place of work.

Another limiting factor that must be noted is the Big Five reports that are no longer available to the public. The 2002-2009 Scotiabank reports, TD’s 2005 report, as well as RBC’s 2013 report (aside from their PAS publication), were no longer available for analysis and coding. Therefore, this research is missing a small piece of the overall picture in terms of primarily early year reporting. While this did not gravely affect results, as it was the overall trends and shifts that were being sought after, these missing reports could be indicative of a message in and of itself. The researcher inquired about these reports with little luck regarding access, and therefore this limitation was unavoidable.

With regards to both the report analysis and interview phase, it must be noted that the companies as well as employees, will likely be putting their best foot forward to the public (including the researcher). During interviews, interviewees were extremely welcoming, kind, and willing to sit down and discuss the research topic at hand. With this in mind however, it is also important to be cognizant of the fact these individuals are speaking as employees of the Big Five and as such, will be wanting to highlight the positive steps the companies are taking, rather than discuss
hurdles or frustrations. Such a situation demonstrates the potential for researcher and/or participant bias (Rowley, 2012). Despite the anonymity of participants, this limitation was unavoidable as the study necessitated individuals to speak based on their relationships and perceptions of their role and employer.

6.3. Areas of Future Research

First and foremost, the researcher suggests future studies be done on the previously stated limitations, particularly those that can be remedied and provide further insights in this space. In doing so, greater validity will be added not only to this burgeoning area of research, but to the distinctions presented and tested that set CS and CSR apart, and by reinforcing of the importance of sustainability within business.

While this research has provided and tested the theoretical framework which aims to outline and explain the distinctive features of corporate sustainability against that of corporate social responsibility, there is still much work that can be done. With regards to the researcher-created framework, it is suggested that future research seek to analyze other sectors and industries against its distinctions. When looking to understand the transitions from CSR initiatives to the incorporation of sustainability elements within business, this framework can serve as a lens to understand these shifts. The Canadian Big Five banks served as an ideal case study for understanding sustainability transitions, and for outlining the difference between CS and CSR seen in practice within current operations. However, applying this lens to other industries, or companies of various sizes, could help to track and tease out how such companies have evolved and how they need to further evolve to operate more holistically across all facets of their business. Grasping a deeper understanding of how these businesses, such as retail or start-ups, perceive and implement sustainability could be of use for academics, other businesses and government. These additional inquiries will contribute to the assessment of this theoretical framework and how well it holds true and remains relevant across the entirety of the corporate world - despite company, industry, or sector.

The role that government can or should play within this space was also a topic of investigation throughout this research. A future area of study that could be undertaken involves placing greater emphasis on the role of government and potential forms of intervention and encouragement. Understanding the historical and present day roles of government within the business world, as
well as the perspectives of businesses seeking to become more sustainable, could provide additional insights for both government and business regarding how to encourage sustainability transitions. Distinguishing what governments are deciding to focus on, if at all, could prove useful to inform future government roles. Emerging from this study was the understanding that the federal government regulation of the Public Accountability Statement (PAS) set in place in 2002 was a major influencer for greater disclosure and transparency, and served as an impetus for moving beyond standard annual financial-leaning disclosures to newer, broader types of reporting. The role of mandatory reporting in evening the playing field and subsequently pushing companies to innovate beyond the minimum standards is an important space where further exploration could also prove useful (Khanna, Deltas & Harrington, 2009; Arimura, Hibiki & Johnston, 2007). With this being the case, it begs the question of how similar or advanced regulations to those in the banking industry could affect business operations in other sectors.


BMO. (2002). *2002 Public Accountability Statement: This is Our Community.*


RBC. (2013). 2013 Public Accountability Statement


TD. (2016). 2016 Corporate Responsibility Report: Enriching the lives of our customers, communities and colleagues


Appendix A: Study Information Letter

[Date]

Corporate Sustainability Study Information Letter

Dear ___________,

My name is Lindsay Lucato and I am a Masters Student at the University of Toronto under the supervision of Professor Dr. Laurel Besco. I am conducting a research project to better understand corporate sustainability initiatives and frameworks within the largest Canadian banks. The hope is that this knowledge will assist in furthering both corporate sustainability within your company and others, while also providing recommendations for better government policy and incentives for Canadian companies. I am writing to ask for your help to examine your company’s corporate sustainability practices, specifically how your company perceives, incorporates and disseminates their initiatives throughout the business.

It would be very much appreciated if you, or another senior member of your team, would participate in a semi-structured interview which will last approximately 30-45 minutes. The interview can be conducted in person at your office, another mutually agreed upon location, or over the telephone at a time most convenient for you.

There are no known risks or benefits to you for assisting with this project. At the time of the interview you will be asked whether you would like your company to be associated with your answers in any publications arising from the research. If you choose not to, your responses will only be associated with your industry or sector. In addition, you will be asked whether you are ok having the interview recorded and whether you are willing to allow the data collected to be used in additional or related research projects. Your name and personal information will not be associated with the answers you provide. Recordings and interview transcripts will be stored in a secured office controlled by the researcher.

Participation in the interview is voluntary, and you may decline to answer any questions if you wish to. However, your response will help to provide a more complete understanding of corporate sustainability. If interested, we will mail you a summary of the research at the completion of the project.

Thank you for your time and consideration. If you have any questions now or in the future, feel free to contact me by email (xxxxxx@mail.utoronto.ca) or telephone (xxx-xxx-xxxx). You may also contact the Office of Research Ethics at the University of Toronto (416-946-3273; ethics.review@utoronto.ca) if you have any questions about your rights as a participant.

Sincerely,

Lindsay Lucato
Masters Candidate
Department of Geography & Planning | School of the Environment
University of Toronto - Mississauga | William G. Davis Building Room xxxx | xxxx Mississauga Rd.
c: xxx.xxxx.xxxx | xxxxxxx@mail.utoronto.ca
Appendix B: Study Consent Form

Dear ___________,

You should have already received an information letter outlining the details of this project. The following is a brief overview of some of the details and an area for you to indicate your consent to the various conditions.

If you have any questions, please ask the interviewer and they will provide you with additional information. As you know, this interview is part of a research study to learn about corporate sustainability initiatives with a specific focus on how they are perceived and implemented.

With your permission, the interviewer will record the interview. You can ask the interviewer to pause or turn off the recorder at any time. You can also let the interviewer know that you do not want the interview to be recorded. If you do not want the interview to be recorded, the interviewer would take notes. The recording and transcription will be stored under lock and key or on a password-protected computer.

You may also decide whether you would like your company to be associated with your responses. If you choose ‘yes,’ in the publication of results, your results will be presented in a format such as “Interviewee from X Company.” If you choose ‘no,’ your responses will be reported as “Interviewee 1 in the sector.”

Finally, we are asking whether you are willing to have the responses you provide used in related future research, and whether you would be willing to be contacted again to follow up, clarify, or ask additional questions.

Taking part in this interview is entirely voluntary. You may refuse to participate and can withdraw at any time. By participating in this interview, you expressly authorize the researchers working on this project to use the information you give to us.

Please note, the research study you are participating in may be reviewed for quality assurance to make sure that the required laws and guidelines are followed. If chosen, a representative of the Human Research Ethics Program (HREP) may access study-related data and/or consent materials as part of the review. All information accessed by the HREP will be upheld to the same level of confidentiality.

Consent Questions (please answer them all):

Do you give permission to record the interview?
Yes [   ]    No [   ]

Would you like your responses to be associated with your company?
Yes [   ]    No [   ]

Are you willing to have your responses used in related future research?
Yes [   ]    No [   ]

Are you willing to be contacted again to follow up, clarify, or ask additional questions?
Yes [   ]    No [   ]

___________________________         ___________________________        ___________________
Printed Name                                       Signature                                       Date
Appendix C: Interview Guide

Corporate Sustainability Interview Guide

Opening Questions
- Can you tell me about your role within [bank]?
- Do you feel as though [bank] takes into consideration the environmental, social and economic aspects and impacts within business?

Introductory Questions
- If I were to ask you to define “corporate sustainability” – how would you go about doing that?
- And if I were to then ask you about “corporate social responsibility” – how would you define that?
- Now in terms of your company’s outlook in the matter, would you say that [bank] looks upon sustainability and responsibility as separate or similar practices?

Corporate Sustainability vs. Corporate Social Responsibility
- Where do you feel your initiatives at [bank] fall – as sustainability or social responsibility, or an incorporation of both?

Corporate Sustainability-Specific
- When do you believe the company started incorporating sustainability into the business model?
- Are there any types of initiatives your company is drawn to or focuses on?
- Do you feel that the meaning of “sustainable” and “sustainability” has changed or evolved over the years?
- Do you see corporate sustainability as different from environmental sustainability within business?

What’s and How’s of Sustainability Initiatives
- Which of your initiatives or strategies do you feel have the longest timelines and long-term impact?
- What is your take on stakeholder involvement within business, have you seen changes in this area?
- Do you feel as through the environment is considered in all areas of business?

Dissemination of Sustainability
- In that you have close to, or over 1000 retail or branch locations across Canada, how do you communicate business transitions and disseminate your initiatives?
- What are the biggest hurdles in that the company is so large and there are thousands of location and employees?

Policies, Incentives, Requirements
- Do you have any idea of why back in the early 2000s, the banks chose to move beyond the required Public Accountability Statement and began publishing more comprehensive responsibility or sustainability reports?
- There are a number of requirements, laws and policies that guide how the banks operate here in Canada, but do you have any thoughts on policies or incentives that are not yet in place, but could be beneficial to encourage more sustainable transitions within business?
  o Not necessarily just for banking, but beyond this sector as well?

Sustainable Development Goals & Advice
- In the last couple of years, your company has been incorporating the UN’s Sustainable Development Goals within reporting – what is the reasoning behind that?
- Is there any advice you would give, to another company or industry, that is trying to become more sustainable and how to go about doing that?