THE EXCHANGE

SEMINAR SERIES

MARKET INSIGHTS FOR PUBLIC COMPANIES

Public Companies Reporting – What's Changed and How

March 24, 2021

Agenda

- Reporting & Regulatory Update
  - Acquisition of business vs. assets
  - IFRS 16 - Lease concessions
  - IFRS 3 – Right of Use (RoU) assets in business combination
  - Government Grants and Government Assistance
  - Accounting Considerations Related to the COVID-19 Outbreak
  - Securities overview
  - Key Audit Matters (KAMs) overview
- Tax Updates for Public Companies
- ESG for Public Companies

Speakers

Maruf
Raza, CPA, CA

National Director, Public Companies

Maruf.Raza@mnp.ca

Murtaza
Dean, CPA, CA

Partner, Public Company Quality Control

Murtaza.Dean@mnp.ca

Dana
Ray, CPA (US)

Partner, Assurance Professionals Standard Group

Dana.Ray@mnp.ca

Le
Van, FCA (UK)

Partner, Specialty Tax

Le.Van@mnp.ca

Edward
Olson, CPA, CA

ESG Services Leader
Regional Leader, ERS

Edward.Olson@mnp.ca

Reporting & Regulatory Update

Acquisition of Business vs. Assets

See handout: Business combination or asset acquisition?

- The key differences between business combinations and business acquisitions

Acquisition of business vs. asset

See handout

	Application issue	Acquisition of a business	Acquisition of an asset
1	Purchase price allocation	Assets and liabilities measured at fair value	Cost of acquisition allocated to assets generally based on relative fair value
2	Transaction costs	Expensed	Capitalized
3	Goodwill/bargain purchase gain	Recognized	Not permitted
4	Deferred taxes	Recognized	Initial recognition exemption
5	Non-controlling interest (NCI)	Recognized	Not recognized if not consolidated

Acquisition of business vs. asset (con't)

	Application issue	Acquisition of a business	Acquisition of an asset
6	Purchase consideration includes equity instruments *(classified as equity)*	Measured at fair value	Measured as share based payment under IFRS 2 *Share-based Payment*
7	Purchase consideration includes equity instruments *(classified as liability)*	Measured at fair value. Subsequent measurement also at fair value.	Measured as share based payment. No subsequent remeasurement (unless if cash settled).
8	Contingent consideration - Initial recognition	Financial liability	• Financial liability • Contingent liability/provision • Executory in nature.

Acquisition of business vs. asset (con't)

	Application issue	Acquisition of a business	Acquisition of an asset
9	Contingent consideration - Subsequent measurement	FVTPL liability	No explicit guidance • Recognized in profit or loss, or • Capitalized as part of the asset
10	Measurement period	Not more than 12 months from acquisition date.	No measurement period available
11	Disclosures	Significantly MORE (IFRS 3)	Relatively LESS
12	Securities requirement	"Business" under Securities Law	Also, potentially a "Business" under Securities Law. Part 8 of Companion Policy 51-102CP and OSC Staff Notice 51-728 *Corporate Finance Branch 2016-2017 Annual Report*).

IFRS 16 – Leases Amendments (rent concessions)

New amendment of IFRS 16 to reflect COVID-19

- Exemption from determining lease concessions as lease modifications
- Effective for annual reporting periods beginning on or after June 1, 2020
- Earlier application is permitted, including in interim or year end financial statements not yet authorized for issue at May 28, 2020
- Practical expedient that is voluntary

IFRS 16, Leases – amendments (rent concessions)

Overview of the amendments to IFRS 16

Did the rent concession occur as a direct consequence of COVID-19?

Yes

Is the revised lease consideration substantially the same as, or less than, the original consideration?

Yes

Is the revised lease consideration relating only to payments originally due on or before June 30, 2021?

Yes

Is there no substantive changes to other lease terms and conditions?

Yes

Practical expedient may be applied to the rent concession

No

No

No

No

Practical expedient may not be applied to the rent concession.

Account for the concession as a lease modification

IFRS 16, Leases – amendments (rent concessions)

New amendment of IFRS 16 to reflect COVID-19

- If the lessor decreased or forgave the lease payments, then they are simply treated as variable lease payments not included in the measurement of the lease liability
- In other words – recognized directly in profit or loss, with the corresponding decrease in the lease liability
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IFRS 16, Leases – amendments (rent concessions) EXAMPLES

See handout

Lease of office premises for 30 months (10 quarters)	$100,000 per quarter due at beginning of each quarter (lease began Q1, 2019)	No renewal no purchase option	Discount rate: 7% per quarter	Asset useful life: 20 years

IFRS 16, Leases – amendments (rent concessions) EXAMPLES

Example 1

Due to COVID, the lessor provided a discount on the next 2 payments, for Q2, 2020 and Q3, 2020, amounting to $70,000 per payment.

The lessee decided to apply the practical expedient and not account for the discount as a lease modification, as it apparently met all four conditions to do so.

Example 2

Due to COVID, the lessor provided rental concessions at the beginning of Q2, 2020, under which the lessee is not required to make the monthly lease payments of $100,000 in Q2, 2020, and Q3, 2020, but it has to make up for those payments in Q1, 2021 and Q2, 2021.

Recognize the present value effect that would result from discounting the revised payments using an unchanged discount rate at the time when the deferral is granted.

Right of Use (RoU) asset in business combination

Issue:

How is the RoU asset measured in a business combination?

Right of Use (RoU) asset in business combination

Issue: How is the RoU asset measured in a business combination?

RoU Asset = Lease Liability +/- Favorable or Unfavorable Leases

The acquirer shall measure the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date (IFRS 3.28B).

The lease term and discount rate will potentially be different from that used by the acquiree based on its IFRS 16 assessment done at lease inception. Therefore, this will likely result in a difference between an acquirer's accounting for a lease and the accounting for the same lease in the separate financial statements of the acquired entity.

Right of Use (RoU) asset in business combination

Issue: How is the RoU asset measured in a business combination?

RoU Asset = Lease Liability +/- Favorable or Unfavorable Leases

Even though RoU assets are generally recorded similarly to owned property, plant and equipment under IAS 16; and IAS 16 assets are recorded at fair value in a business combination, RoU assets are an exception to the general principle of measurement in IFRS 3.

The acquirer shall measure the right-of-use asset at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms (IFRS 3.28B).

As such, companies need to perform an analysis of leases acquired to see if there is a favorable or an unfavorable lease adjustment that needs to be recorded against the RoU asset.

Right of Use (RoU) asset in business combination

Issue: How is the RoU asset measured in a business combination?

Illustration:

At acquisition date, the acquiree has various commercial and industrial leases. The acquiror assumed certain leases for which there was a free rent period (which ended before the acquisition). These leases have escalating payment terms, so the monthly rent going forward will probably be above market (i.e., entering into a new lease agreement for the acquiror would be on more favorable terms).

The acquirer shall measure the lease liability at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired lease were a new lease at the acquisition date (IFRS 3.28B).

That means the acquiror has an unfavorable lease liability for each of these particular leases. And vice versa, if the acquiree negotiated a great deal for the whole duration of the lease and the payments going forward will be below market, then the acquiror has a favorable lease asset to be recorded.

Right of Use (RoU) asset in business combination

Issue: How is the RoU asset measured in a business combination?

How to determine the amount of a favorable vs unfavorable lease adjustment?

As with anything at fair value, there is no one correct answer. Some subjective judgment is involved. For each lease the acquiror should find a few comparable properties on the market and run a calculation for the remainder of the term to determine the difference between the market rate and the actual payments for the remaining term of the lease.

Discount the difference between the contract rent and market rent over the remaining term of each lease.

Government Grants and Government Assistance

Government Grants

Government Assistance

Other Government Assistance

Recognition and Matching

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- Recognition of Government grants only if there is reasonable assurance that
  - the enterprise will comply with the condition attaching to them and,
  - the grants will be received
- Recognition over the periods necessary to match them with the related costs:
  - exception: grant as compensation for expenses or losses that have already been incurred
- Below Market Government Loan
  - recognize at fair value in accordance with IFRS 9
  - account for the difference between the fair value and the initial carrying value in accordance with IAS 20

Recognition and Matching EXAMPLE

See handout

Received two-year interest free loan from the government of $40,000. Market interest rate is 10% per annum for such similar loans.

- Fair value of loan = Present value of 40k @10% discount over 2 years = $36k
- Fair value of grant = $4k

Accounting Considerations Related to the COVID-19 Outbreak

See handout: Client Checklist for COVID-19 Accounting Considerations

Accounting Considerations Related to the COVID-19 Outbreak

Impairment of non-financial assets

- Indicators of impairment
- Recoverable amount
    - Revised budgets
    - Expected cash flow approach (multiple probability-weighted scenarios)
    - Revised discount rate
- Impairment Disclosures

Inventory valuation and obsolescence

- Inventory write-downs
- Inventory year-end counts
- Absorption of overheads, idle plant capacity

Accounting Considerations Related to the COVID-19 Outbreak

Allowance for doubtful accounts / expected credit losses (ECL)

- Lifetime vs 12-month ECL
- Significant increase in credit risk (SICR)
  - Exposure at default (EAD)
  - Loss given default (LGD)
- Additional downside COVID scenarios included in forward looking information
- Payment holidays not an automatic trigger for increased SICR
- IASB's guidance on COVID-19 and IFRS 9, please refer HERE

Accounting Considerations Related to the COVID-19 Outbreak

Estimates related to revenue contracts

- Variable consideration
- Credit risk – critical factor in Step 1 of IFRS 15
- Contract modifications
- Stand-alone selling prices
- Contract costs
- Other customer incentives and estimates to consider
- Disclosures

Debt

- Breach of covenants
- Current vs non-current classification
- Waivers obtained before or after the reporting date
- Debt modification

Accounting Considerations Related to the COVID-19 Outbreak

Going concern

- Management's plan for future actions
- Detailed cash flow forecasts
- Reliability of underlying data and support for key assumptions
- Sensitivity analysis
- Emergency funding and other government support
- Credit facilities and repayment terms
- Covenant compliance
- Disclosures

Securities Overview

- Impacts on financial statements or audit requirements

Definition of a Business

- The Securities Commissions are taking a more critical look at what is defined as a business
- If you are public, this acquisition will trigger a business acquisition report (BAR) requirement
- If an acquisition is considered a business, this will trigger audit requirements
- Transactions need to be assessed by your auditor, in conjunction with your legal counsel, to avoid significant ramifications

Proposed BAR Requirements for Non-Venture Issuers

- Acquisitions of a businesses require a BAR report, and therefore an audit, if significance tests are met
- Non-venture (TSX, NEO) rules amended for the following:
  - 2 of 3 significance tests need to be met
  - 20% threshold now 30%
  - Asset test, Income test, Investment test

Confidential Pre-File Review of Prospectuses

- CSA Staff Notice 43-310
- Permits a company to confidentially pre-file a prospectus prior to officially filing a preliminary prospectus
- Not permitted with non-offering prospectuses (but may be permitted by exception if complex)
- A pre-file should include all of the required documents that would be included in a normal public prospectus

National Instrument 52-108 Auditor Oversight (Proposed)

- Changes in law to help CPAB access audit working papers of component auditors, particularly in certain foreign jurisdictions
- Requires a significant component auditor to enter into an agreement with CPAB governing access for file inspection
- If the component auditor does not provide access to CPAB, a group auditor would not be permitted to use the audit firm as a significant component auditor

Key Audit Matters (KAMs) Overview

MNP

- What is a KAM?
- KAM Requirements
- Effective Date
- Trends in KAM Topics
- COVID Impact

Key Audit Matters (KAM)

The most significant change to the auditor's report is the addition of the *Key Audit Matters* (KAM) section.

What is a KAM?

KAM as defined by Canadian Auditing Standards (CAS) 701 *Communicating Key Audit Matters in the Independent Auditor's Report –*
Those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance.

What are the requirements of KAM?

The auditor's report is required to:	
	identify each KAM;
	describe the primary reason(s) the auditor designated it as a KAM;
	describe how each matter was addressed in the audit; and
	make reference to the relevant financial statement accounts or disclosures.

Example KAM – Valuation of Investments

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate option on these matters.

→ Intro

Valuation of Unlisted Investments and Accuracy of Net Change in Investment Gains

Key Audit Matter Description

The valuation of unlisted investments requires significant judgement and estimates by management and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation.

The investment portfolio at December 31, 2020 was comprised of unlisted investments valued at $1,967,408, which accounted for 12% of the total portfolio.

Any input inaccuracies or unreasonable bases used in the valuation judgements could result in a material misstatement of the consolidated financial statements.

Please refer to Notes 3.2, 4 and 9 in the consolidated financial statements for details.

→ Description

Audit Response

We responded to this matter by performing audit procedures in relation to the valuation of unlisted investments and the accuracy of the net change in investment gains. Our audit work in relation to this included, but was not restricted to, the following:

- Sent third party confirmations to management of unlisted investments to corroborate valuation assumptions made by the Company's management, including third party financing raised during the year.
- Utilized our own internal valuation experts to evaluate the appropriateness of the valuation methodologies and assumptions used.
- For existing investments, we analyzed changes in significant assumptions compared with assumptions audited in previous periods and compared these to independent evidence, including available industry data.

→ Audit Response

Effective date of KAM

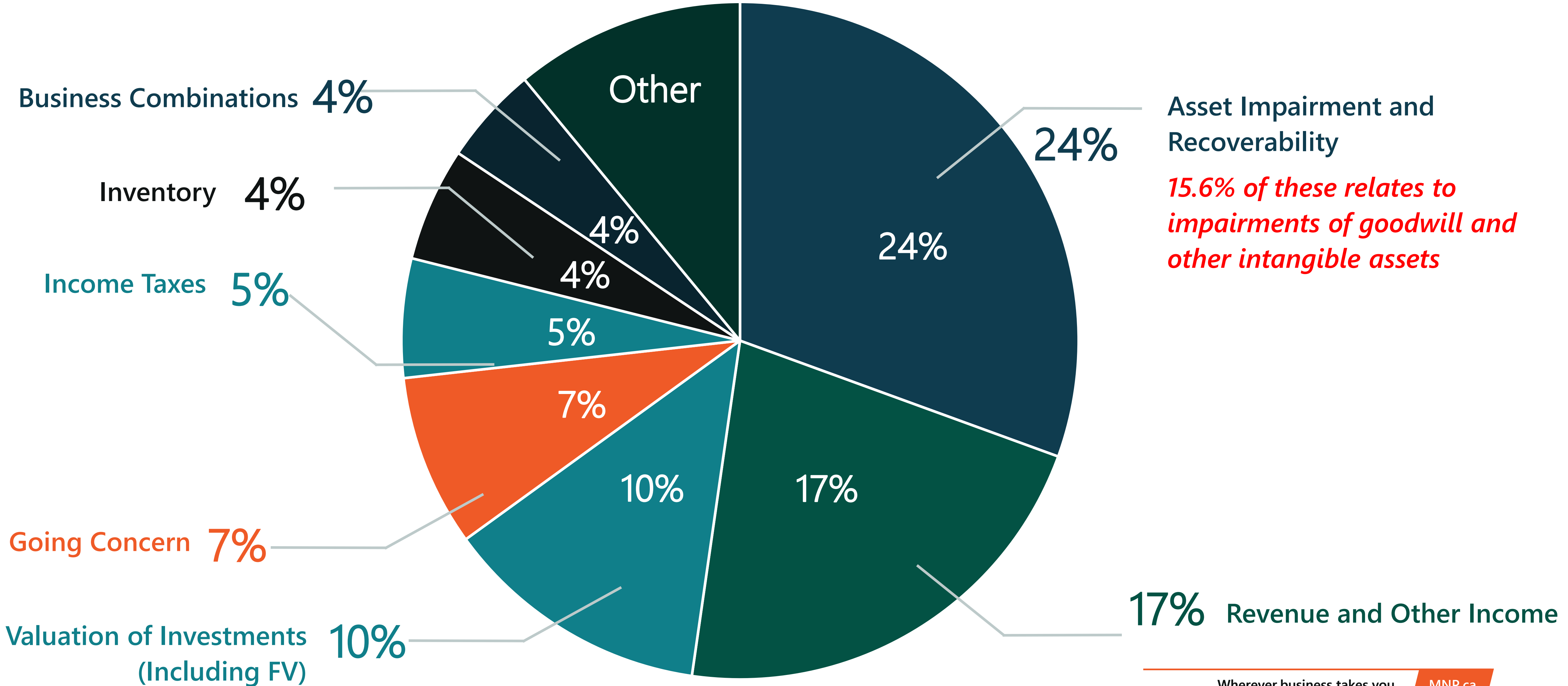
Type of Entity	Effective for audits of FS for FS periods ending on/or after
Entities “when the auditor otherwise decides to communicate KAMs”, or “required by law or regulations”	December 15, 2018
TSX-listed entities other than those required to comply with National Instrument 81-106, *Investment Fund Continuous Disclosure* (NI 81-106)	December 15, 2020
Entities listed on exchanges other than the TSX (NEO, CSE and TSX-V), excluding listed entities required to comply with NI 81-106	December 15, 2022

Types of KAM

KAM will generally include matters such as:

- Significant management estimates;
- Areas of high audit risk;
- Areas involving a high degree of estimation uncertainty;
- Significant unusual transactions; and
- Significant changes in the financial statements.

Trends in KAM Topics



Population Overview

Fiscal Year	# Opinions	# KAMs	Average # of KAMs
2016	1,810	5,031	2.78
2017	3,463	8,806	2.54
2018	3,812	9,316	2.44
2019	3,673	9,231	2.51
2020 (*partial year*)	290	838	2.89
Total	13,048	33,222	2.63

Classification by Industry

Topic	Finance, Insurance & Real Estate	Manufacturing	Retail Trade	Wholesale Trade
Asset Impairment and Recoverability	22.0%	59.5%	58.8%	57.4%
Revenue and Other Income	26.9%	34.5%	30.8%	26.5%
Valuation of Investments (Including FV)	57.4%	2.8%	8.8%	1.9%
Going Concern	9.9%	9.8%	14.8%	12.9%
Income Taxes	5.3%	15.2%	7.7%	10.3%
Inventory	1.9%	15.2%	41.2%	29.7%

Lessons Learned to Date

- Deciding what was a KAM required significant judgment and was specific to the circumstances of each audit.
- Communicating KAMs that are easily understood by a broad readership can be challenging.
- Sharing draft KAMs with management, audit committees, and legal counsel provided an opportunity to set expectations about KAMs and to reach a common understanding about applying the standard's requirements and how the implementation process and timing may work.

Tax Updates for Public Companies

Changes to Stock Options

Stock Options

- Federal government policy change to limit the use of employee stock option for large mature companies

Current Rules

Acquiring shares under employee stock options

- Fair value of shares (FV)
- Taxable amounts
- Amount payable to the employee

Stock options issued by Canadian Controlled Private Corporation (CCPC)

- Deduction
- Amount payable to the employee
- Employment benefit

New Rules

Stock options

- Limit amount of shares entitled to the 50% deduction to $200,000 per year
- CCPCs not subject to new rules

Other exemptions

- Certain start-up or scale-up companies (non-CCPC)
- Start-up companies or non-CCPCs with less than $500M annual gross revenue

Employer benefits

- Income tax deduction
- Employee stock options granted on or after July 1, 2021 will be subject to the new rules

Examples

See handout

- **Henry** is an executive of a corporation that is subject to the new employee stock option tax rules.
- In 2020, Henry's employer grants him stock options to acquire 200,000 shares at a price of $50 per share
  - This is the fair market value (FMV) of a share on the date the options are granted, with one-quarter of the options vesting in each of 2021, 2022, 2023 and 2024

See handout

- **Tobias** is an employee of a corporation that is subject to the new employee stock option tax rules.
- In 2021, his employer grants him employee stock options to acquire 120,000 shares at a strike price of $4 per share
  - This is the FMV of a share on the date the options are granted. All of the options are identical and vest in 2022

Proposed Legislative change to Flow-Through Shares

Current Rules

- Principal-business corporation can renounce Canadian Exploration Expenses (CEE) and Canadian Development Expenses (CDE) to holders of flow through shares
- The CEE or CDE must be incurred in the period where the relevant flow-through share agreement is entered and ends 24 months after

Flow-Through Shares

Extension to spend flow-through expenditure in response to COVID-19

- Extended from 24 months to 36 months
- Applies to agreements entered after February 2018 and before 2021
- Also applies to agreements entered in 2019 and 2020 under Look Back Rules
- Flow-through share issuer commits to incurring the eligible Canadian exploration expenses in the calendar year that immediately follows the year of issue

Flow-Through Shares

Tax Implications

- Extension allows additional 12 months for the flow-through share issuer to incur the renounced expenses before Part XII.6 tax applies
- Tax is generally calculated for each month (except January) in the calendar year following the year the flow-through share was issued based on unexpended amount
- Additional 10% tax applies to the amount of renounced expenditures not spent at the end of that calendar year
- Relief from this tax will be provided by deeming expenditures have been incurred in January 2020 and January 2021

Flow-Through Shares

- No bill introduced for this proposed draft legislation
- CRA confirms taxpayer should file their returns and T101C forms based on the draft legislation

ESG for Public Companies

Adoption, Implementation & Optimization

ESG

"ESG is not only what you do, but how you do it in achieving long-term, sustainable results for all stakeholders."

–Edward Olson

MNP

What is ESG?

Environmental, Social & Governance is a framework to assess the 3 central factors in measuring and assessing the sustainable, responsible and ethical structure of an organization.

ESG Issues for Consideration:

Environmental
Energy efficiency
Carbon footprint
Water consumption
Waste management
Packaging
Biodiversity management

Social
Employee attraction and retention
Diversity and inclusion
Pay equity
Customer data privacy
Social acceptability of projects / business
Organizational culture

Governance
Climate change
Cyber security
Corruption and bribery
Responsible taxes
Compensation
Reliable financial disclosure

Evolution of Sustainability

01

1970s – Corporate Social Responsibility (CSR)

Began when the Committee for Economic Development announced the concept of 'social contract' between business and society in 1971.

02

1994 – Triple Bottom Line

Companies should prepare 3 bottom lines:

1. The bottom line
2. The people account
3. The planet account

03

2005 – ESG

First coined in the 2005 'Who Cares Wins' study by the UN Global Compact, which concluded that better investment leads to more sustainable societies.

04

2015 – UN Sustainable Development Goals (SDG)

The UN set 17 sustainable goals that encourage 'companies to adopt sustainable practices and reporting'.

Understanding the Drivers of Change

BANKING & INVESTORS
Access to and deployment of capital including cost of capital.

GOVERNMENT
Public policy to influence action by organizations to reduce carbon footprint, including conditions associated with pandemic relief funding.

REGULATORS
Embedding sustainability measures regulatory decisions and approvals for new projects/capital deployment.

CUSTOMERS
Greater activism by customers impacting with whom they do business including whom they influence through social media.

SUPPLY CHAIN
Influencing participants within the full business cycle – upstream and downstream.

ACCOUNTING STANDARD SETTING BODIES
Evolving from guidance for enhanced adoption of sustainability criteria to mandatory reporting.

SECURITIES COMMISSIONS
Driving expectations for standard disclosures across all publicly listed entities with a focus towards integrated reporting.

EMPLOYEES
Attraction and retention of skilled workers linked to corporate positioning on sustainability issues across the ESG spectrum.

Accounting Standard Setting Bodies

- The International Organization of Securities Commissions (IOSCO) announced on December 23 their support for the establishment of a Sustainability Standards Board (SSB) under the IFRS Foundation.
- Robust sustainability reporting standards, interconnected with financial reporting standards, would also support audit and assurance – enhancing the market's trust in sustainability disclosures, and laying the foundations for mandatory corporate reporting on sustainability internationally.
- Countries who have adopted IFRS will see integrated reporting requirements become a natural part of annual reporting.

Driver of Change: Governments

United Kingdom first to mandate TCFD disclosures

Fully mandatory across the economy by 2025

"Our plans will ensure the UK moves forward as an open, attractive and well-regulated market, and continues to lead the world in pioneering new technologies and shifting finance towards a net zero future."
– Rishi Sunak, Chancellor of the Exchequer

MNP's Sustainability Maturity Model

Organizations must decide how far up the curve they seek to go

STRATEGIC VALUE

1 — AD HOC

Operations: Focused on compliance

Stakeholders: Minimal engagement

Governance: Minimal discussion; no one "responsible"

Strategy: Not addressed

Reporting: Limited external reporting, risk of "green-washing"

2 — INITIAL

Operations: Some ESG factors and metrics identified

Stakeholders: Little or no engagement

Governance: Initial discussions at management level to build awareness; can identify internal responsibility

Strategy: Strategic planning may refer to sustainability, but not direct link

Reporting: Largely focused on regulatory compliance; initial efforts around CSR reporting

3 — DEFINED

Operations: Policies being developed to change how things are done; some benchmarking and selective metrics identified and tracked

Stakeholders: Initial stakeholder consultation undertaken and increased rigor of information gathering

Governance: Occasional tracking of sustainability issues for management and external advisors

Strategy: Integration of ESG factors into strategic planning and implementation

Reporting: Partial reporting on select issues and indicators in reporting; some third-party validations carried out

4 — INTEGRATED

Operations: Process improvements permeate full business model; achieving significant advantages; metrics identified, measured and benchmarked

Stakeholders: Internal and external stakeholders identified, and ongoing dialogue regarding improvement targets and progress

Governance: Robust discussions on links with strategy and risk program; metrics tracked via a balanced scorecard on a regular basis

Strategy: A critical area of focus in strategic planning and decision-making; consider long term impacts via scenario planning

Reporting: More comprehensive, defined measures and in-line with industry leading practices; third-party validations part of risk management process

5 — OPTIMIZED

Operations: Sustainability is a core part of corporate culture and drives process and product innovation; full disclosure including leading practice for metrics

Stakeholders: Regular engagement with all key stakeholders; company "brand" is connected to sustainability

Governance: Sustainability is incorporated into risk and opportunity analysis and directly impacts strategy making and decisions by the board of directors; the organization is an industry and thought leader, positively influencing regulators and regulations on emerging issues and core sustainability topics

Strategy: Sustainability is part of the company's Purpose and is a cornerstone of business strategy and decision-making; it is fully incorporated into risk and opportunity analysis; Organization has clearly defined sustainability values

Reporting: Robust reporting on indicators pertinent to the organization and stakeholders; information is validated by independent third parties on a routine basis

AD HOC → INITIAL → DEFINED → INTEGRATED → OPTIMIZED

MATURITY

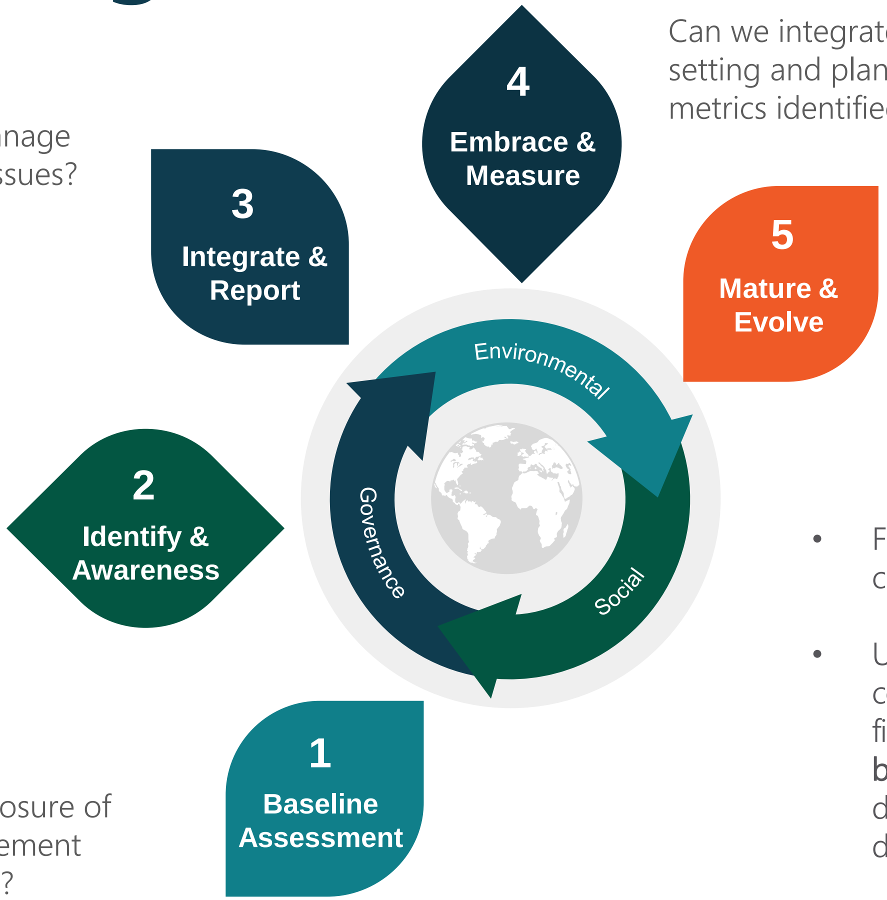
Source: MNP

ESG Reporting

Can we quantify, proactively manage and monitor key sustainability issues? Are metrics tracked?

Can we identify and prioritize sustainability issues? Are metrics identified?

Can we outline the current disclosure of sustainability issues and management appetite for sustainability topics?



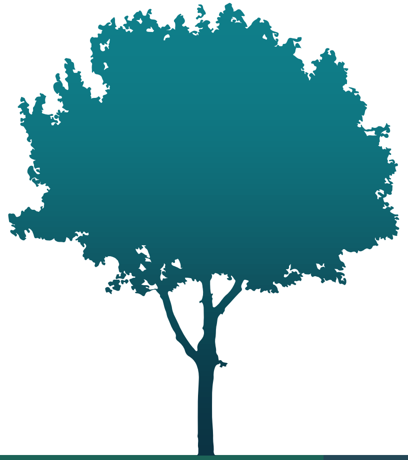
Can we integrate sustainability and risk/opportunity analysis into strategy setting and planning and implement a robust sustainability framework? Are metrics identified, measured and benchmarked?

Do we disseminate a sustainability-based mindset within and across the organization and embrace full transparency to stakeholders? Is metric disclosure "leading practice"?

- Financial reporting captures **only a portion** of a company's value creation potential and organizational risks
- Until recently, ESG reporting has been largely considered to be compliance-driven by most companies; but business leaders and the financial community increasingly consider **ESG as key to driving business sustainability and competitive advantage** along such dimensions as cost leadership, product/service differentiation and development of intellectual capital
- Sound ESG reporting is a critical **tool to communicate with stakeholders,** to disclose and discuss risks, uncertainties, challenges and trends that may materially affect financial performance

Source: MNP

Value of ESG Reporting


Integrated Reporting

Compliment your financial reporting by providing a fuller picture of your value creation potential and enterprise risk landscape.

Commitment

Demonstrate your commitment to driving sustainability and competitive advantage along dimensions of cost leadership, product / service differentiation, and intellectual capital development.

Disclosure

Measure and disclose intangible (yet financially material) factors such as strategy, innovation capacity, human capital management, reputation management, commercial risk mitigation, and resource efficiency.

Performance

Strategically embed certain risks, uncertainties, challenges and trends that may affect financial performance and long-term sustainability.

MNP Service Offerings

Baseline

- Initial assessment of operational footprint, products, services, customers, markets and geographic locations
- Inventory of existing disclosures
- Maturity assessment
- Create business case for ESG adoption

Stakeholders

- Identify and inventory internal and external stakeholders
- Conduct stakeholder consultation
- Compile listing of E, S & G issues

Impact

- Conduct impact assessments for ESG issues
- Prioritize impacts to identify key issues for actioning
- Benchmark and market research for industry comparison
- Build organizational capabilities

Framework

- Select relevant ESG framework
- Create management system and data integrity for information gathering
- Establish materiality thresholds
- Assist with setting ESG targets
- Train board and management

Reporting

- Reporting format, content and disclosure medium
- Integrated reporting
- Compliance with regulatory and legislative requirements
- Qualitative and quantitative information

Assurance

- Independent, third-party validation of ESG disclosures
- Testing and validation of management systems, data, and disclosure controls and procedures


MNP
MNP
Wherever business takes you
MNP.ca
PRAXITY
Empowering Business Globally
KINCENTRIC
Best Employer
CANADA 2019