

## **A new approach needed to evaluate environmental performance in Canada: TD Economics**

**TORONTO** -- Canada requires a new, holistic approach to better evaluate links between environmental quality and economic performance, according to a TD Economics report.

Currently the term “green economy” is used to describe a wide range of activities, but it lacks a standardized definition, making it difficult to measure and assess progress. Narrow approaches to defining the term result in labelling some economic sectors as ‘green’ and others as ‘brown’, and often excludes green initiatives being undertaken in sectors outside the ‘green economy’ umbrella. This siloed approach diminishes the progress that industry, government and citizens have made.

“Canadians should rethink the relationship between the environment and the economy. Rather than viewing environmental progress and economic growth as being conflicting objectives, acknowledging the progress being made on both fronts can be empowering and creates promise that even more can be achieved,” said TD’s Chief Economist, Craig Alexander. To this end, the report proposes a balanced approach to measure “the *greening* of the economy,” which factors in the combination of “consumer, corporate and policy efforts to increase operational efficiency and minimize environmental impact while fostering economic growth, diversification and competition.”

Greening consists of a four-step successive process that is common to all sectors of the Canadian economy: regulatory compliance, managing operational efficiency, environmental improvements through the supply chain, and the creation of new products and services. When this process is applied to how industries are currently performing, the following trends were found.

- Environmental considerations are increasingly embedded into corporate decision making.
- Improving environmental efficiency frequently results in cost advantages.
- Incentives to reduce environmental impact are a strong driver of innovation.
- Corporate responsibility is a driver for improving environmental performance.

“Environmental considerations have become heavily entrenched in corporate Canada’s behaviour,” said Mr. Alexander. “Indeed, many businesses have recognized that more environmentally-sustainable policies and practices are not just good for their brand and reputation, but can also lead to cost savings, new products, business models and new revenue opportunities.”

The report did note that differences between sectors of the economy meant that greening efforts varied. As such, sectors should not be compared to each other, instead, benchmarks should be found and made within industries.

“Canada needs to do more on conservation, emissions, sustainability,” said Karen Clarke-Whistler, Chief Environment Officer, TD Bank Group. “But this report demonstrates that the environment is a key component of the economy. By measuring the ‘greening’ of the economy we have a means of measuring our progress.”

*To read the full detailed report and analysis of industries, please go to [www.td.com/economics](http://www.td.com/economics) to find “The Greening of the Economy” report under today’s date, Wednesday, October 2, 2013.*

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