



# The City of Vaughan

## Sustainability Reporting Readiness and Assessment

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**Audit Committee Summary**

November 24, 2025

# Project Overview



## Project Objectives and Drivers

City of Vaughan Council have an Environmental Sustainability goal statement to protect the environment and foster a sustainable future through social and economic initiatives. The City's key objectives are to:

- Advance stewardship of green infrastructure
- Support community and corporate sustainability initiatives through stakeholder engagement
- Invest in climate change mitigation and resilience

City of Vaughan partnered with KPMG for internal audit services to perform an assessment of the City's Sustainability program and ambitions. This work identified if the City has the following within their program:

- A Materiality Assessment \*
- Established goals and KPIs
- Developed a Policy and/or Sustainability Charter
- Developed a reporting framework



## Key terms in the context of this project:

- Sustainability integrates environmental, social, and governance risks and opportunities into an organization's strategy to foster long-term financial viability and generate value.
- Sustainability encompasses a broad spectrum of non-financial criteria that stakeholders utilize to evaluate how an organization's practices affect sustainability and social issues, along with how environmental and social factors influence the organization itself.

\* Materiality Assessment is the process of identifying and prioritizing the environmental, social, and governance issues that are most significant to an organization and its stakeholders. This assessment helps organizations focus their sustainability efforts on the areas that will have the greatest impact and align with stakeholder expectations, thereby enhancing both sustainability performance and transparency.

# Assessment Phases

The assessment was divided into three phases. Each phase is focused on the achievement of specific, tangible objectives and activities. Throughout the three phases of the assessment process, as each of the activities and assessments were being performed, the findings were communicated to enhance transparency and support change.

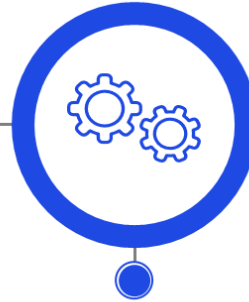


Phase01

## Initiate

November 2024 – December 2024

- ✓ Project kick-off meeting
- ✓ Confirmed Project Canvas
- ✓ Project schedule / Gantt chart
- ✓ Stakeholder engagement plan
- ✓ Draft interview guides / focus group pre-reads

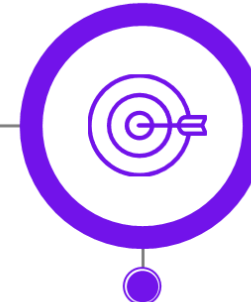


Phase02

## Perform

December 2024 – March 2025

- ✓ Summarize documentation reviewed
- ✓ Stakeholder consultations
- ✓ Current state analysis
- ✓ Desired state for the program
- ✓ Gap analysis
- ✓ Validation Session



Phase03

## Deliver

April 2025 – May 2025

- ✓ Detailed Assessment Report
- ✓ Recommendations and implementation plan
- ✓ Summary Presentation to the Leadership Team
- ✓ Discuss results and actions at the next Audit Committee

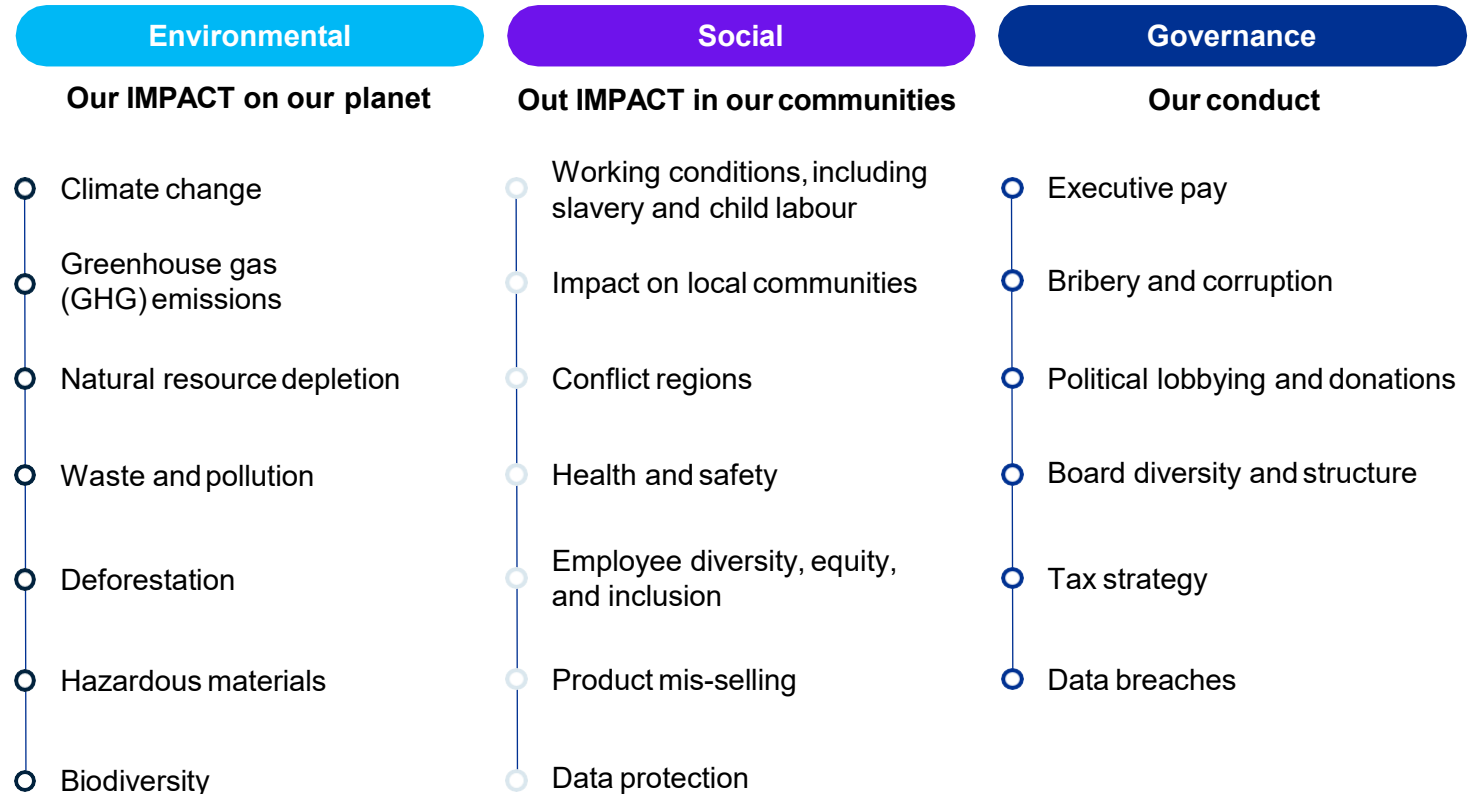
# Defining Environmental, Social and Governance

ESG is a framework to integrate environmental, social and governance risks and opportunities into an organization's strategy to build long term financial sustainability and create value.

ESG strategies can help organizations deliver long-term value through effective engagement with all stakeholders – generating trust and a competitive advantage.

ESG includes a wide range of non-financial categories, used by stakeholders to assess the impact of an organization's practices on sustainability and social issues, as well as the impacts of environmental and social issues on the organization.

While organizations have ESG issues specific to their sector, geography and activities, topics that are commonly a part of stakeholder agendas are noted on the right.



# Sustainability and Cities: Real-life examples

These are examples of how developing Sustainability initiatives can support and increase maturity of cities as they advance their Sustainability journey.

## Environmental Actions

The City develops its first comprehensive plan to address climate resilience

- Atlanta launched its inaugural Climate Resilience Action Plan on April 30, 2025, aimed at combating climate change and its uneven impacts on residents.
- The plan outlines ambitious goals including a 59% reduction in greenhouse gas emissions by 2030 and establishing 250 electric vehicle charging stations by 2025. The City's approach focuses on reducing energy burdens, especially for households that spend significant portions of their income on energy bills.
- Despite federal funding uncertainties and scrutiny under the Trump administration, the City is committed to addressing energy burdens in its most affected neighborhoods through community collaboration and innovative programs.

## Social Actions

Partnerships with educational institutions showcases collaboration and fosters training and development opportunities.

- The partnership between the **City of Vaughan** and Niagara University, which offers discounts for graduate programs to employees, strengthens the City's Sustainability programs by fostering community collaboration and promoting employee development.
- This initiative enhances workforce skills, contributes to employee satisfaction, and demonstrates the City's commitment to social responsibility and sustainability through education and community engagement.
- Contented employees are often more productive and engaged, contributing positively to the organization's performance, which aligns with social sustainability goals within a typical Sustainability framework.

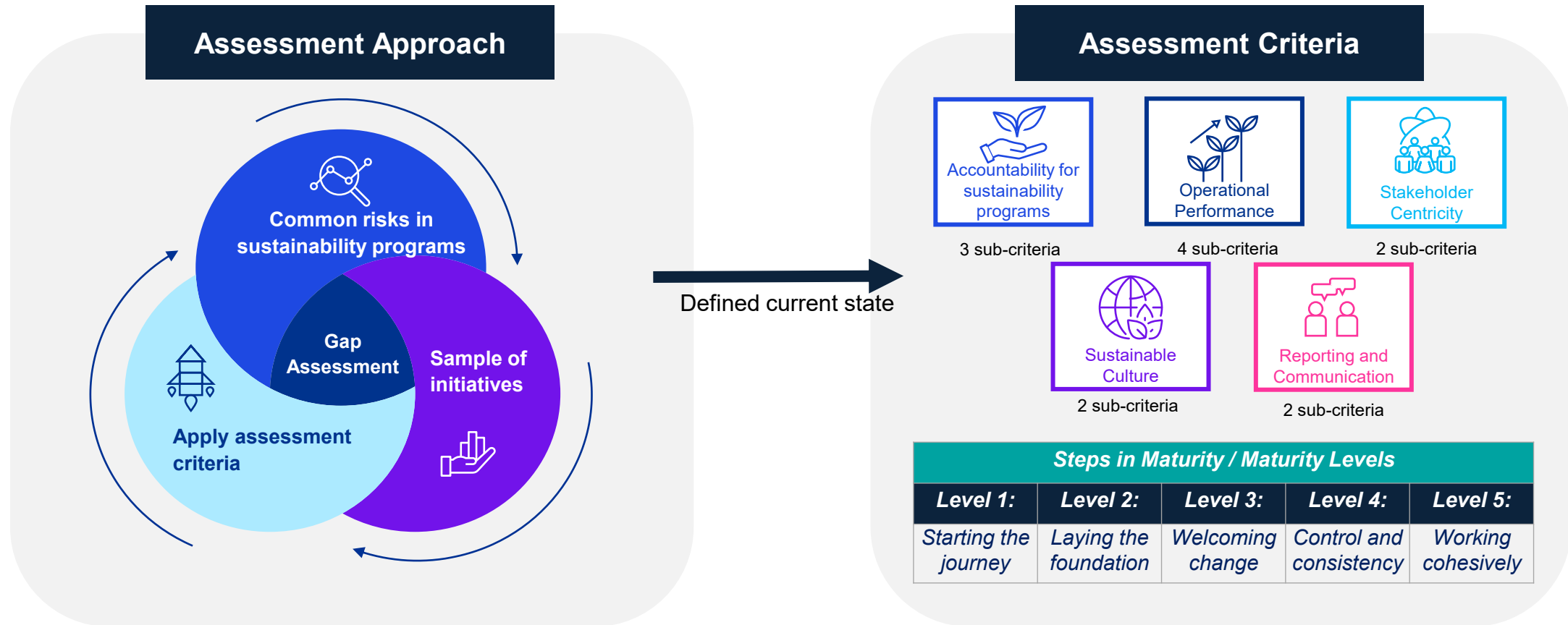
## Governance Actions

The City of Mississauga has a focused approach to sustainability governance

- City Council appointed an advisory committee known as the Environmental Action (EA) Committee, with citizen members and councilors, focusing on sustainability and climate action recommendations.
- The Audit Committee (AC) is responsible for ensuring that sustainability reports align with the organization's strategic goals and adhere to established frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD).
- The AC oversees the accuracy and integrity of sustainability reporting, reinforcing stakeholder trust.
- The AC determines the appropriate level of assurance (reasonable or limited) for sustainability reports.

# Readiness and Gap Assessment Overview

KPMG's criteria-based assessment evaluated the City of Vaughan across 5 assessment areas 13 sub-components. A five-level scale rating was used where the rating of one represented the lowest maturity level.



# Maturity Gap Assessment

Overall, the City of Vaughan demonstrated a shift from ad-hoc practices toward more structured and repeatable processes, particularly within the "Defining" and "Adopting" stages (Levels 2 and 3). This indicates efforts to lay foundational strategies while welcoming organizational change. The assessment highlights that while Vaughan is building structured mechanisms for managing sustainability, certain areas still require significant development to meet its long-term sustainability objectives.



# Next steps for consideration

Criteria	Sub-Component	Possible next step
1. Sustainability Programs	Sustainability vision/strategy	<ul style="list-style-type: none"> <li>Establish a framework for assessing sustainability issues, risks and opportunities (e.g. double materially assessment).</li> <li>Set up a multi-disciplinary working group to coordinate across department lines, stakeholder groups and services (e.g., appoint passionate leaders to generate momentum and be agents for change).</li> </ul>
	Ownership and accountability	<ul style="list-style-type: none"> <li>Assign accountability and ownership on all existing and new sustainability related actions projects.</li> </ul>
	Greenwashing / Fraud	<ul style="list-style-type: none"> <li>Update the code of conduct as necessary to account for environmental and social impact.</li> <li>Expand the definition for fraud in current policies and use of the whistleblower hotline to include misrepresentation of climate actions or other material issues.</li> </ul>
2. Operational Performance	Integration into core business operations (including risk management)	<ul style="list-style-type: none"> <li>Create a framework to assess sustainability projects/actions and prioritize resources for those which are essential under existing Council resolutions, regulatory commitments, or necessary to maintain external funding (e.g., disaster funds, grant requirements).</li> </ul>
	Identifying & measuring sustainability impact.	<ul style="list-style-type: none"> <li>Identify performance targets and data points to measure results/progress, after re-scoring all projects considering emerging data, changed risks, or shifting needs.</li> </ul>
	Alignment with leading sustainability practices	<ul style="list-style-type: none"> <li>Tie resource allocation/FTE deployment directly to the project score and risk classification.</li> <li>Increase frequency and depth of cross-department collaboration on high-complexity, high-risk sustainability related projects.</li> </ul>
	Sustainability performance monitoring	<ul style="list-style-type: none"> <li>Implement a performance monitoring and reporting cadence to ensure priority projects are reviewed for progress, risk, lessons learned.</li> </ul>

# Next steps for consideration

Criteria	Sub-Component	Possible next steps
3. Stakeholder Centricity	Stakeholder Identification	<ul style="list-style-type: none"> <li>Recognize the contributors and adversaries of change, such as special interest groups or departments, that have an interest in or are affected by the City's activities, decisions, and policies.</li> </ul>
	Sustainability issues identification & response	<ul style="list-style-type: none"> <li>Develop a detailed stakeholder communication plan that distinguishes between regular reporting of progress on actions and ad-hoc / crisis type communications and those that raise awareness of hazards or threats (e.g., risk of inaction).</li> </ul>
4. Sustainable Culture	Workforce Participation	<ul style="list-style-type: none"> <li>Consider expanding employee rewards programs for those individuals or teams contributing to sustainability goals.</li> </ul>
	Workforce Performance	<ul style="list-style-type: none"> <li>Recommend publishing annual summary of prioritized projects and outcomes to drive support from the workforce.</li> </ul>
5. Reporting and Communication	Reporting and Communication Strategy	<ul style="list-style-type: none"> <li>Consider a tiered approach to reporting: Top tier requires increased granularity and assurance over data; whereas lower tiers have established metrics monitored periodically.</li> </ul>
	Reporting Validation / Assurance	<ul style="list-style-type: none"> <li>Verify and evaluate the accuracy, reliability, and completeness of the City's sustainability reports and disclosures.</li> </ul>



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