

CAE Partners With Novisto To Manage ESG And Sustainability Data And Reporting

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This report is for organizations facing increasing pressure on the availability and quality of their ESG and sustainability data. High technology company CAE partnered with ESG software provider Novisto to improve the process of gathering ESG and sustainability data and sharing the data externally for ESG reporting and disclosures. The project resulted in the development of a more comprehensive and consistent approach as a foundation for reporting, as well as performance improvements. CAE benefits from Novisto's software solution and values the ESG guidance Novisto provides in a rapidly changing environment.

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ORGANIZATIONS MENTIONED

CAE, Climate Disclosure Project (CDP), Enablon, Global Reporting Initiative (GRI), Novisto, Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), United Nations (UN), Workday

CAE Partners With Novisto To Support Growing Requirements For ESG And Sustainability Data

This report is for organizations facing increasing pressure on the availability and quality of their ESG and sustainability data. CAE partnered with ESG software provider Novisto to improve the process of gathering ESG and sustainability data and sharing them externally for ESG reporting and disclosures. The approach creates a centralized repository for ESG information, which can then be used for benchmarking and driving performance improvements in addition to ESG reporting efficiencies.

CAE's Increasing Spotlight On ESG Performance For Internal And External Stakeholders

Like many organizations, CAE's investments in sustainability are yielding positive results, and the firm wanted a way to share its successes, connect these successes to financial performance, and drive further ESG improvements. Some of CAE's key considerations to improving its approach included:

- **Supporting CAE's large, complex, global business.**

CAE is a global firm with its largest business unit providing aviation training and full-flight simulators. The firm engages more than 11,000 employees across 180 locations and has customers in multiple industry segments: civil aviation, defence and security, and healthcare. The process of collecting, reviewing and managing ESG information on a continuous basis for such a large, diverse organization is a significant challenge.

- **Promoting CAE's wins to date and enabling more in the future.**

CAE has already achieved carbon neutrality and is using its product offerings to reduce the environmental footprints of its customers. Similarly, the firm is committing to diversity and inclusion as a strategic priority and is making progress in its broader social impact. The collaboration between CAE and Novisto has already started to produce results, which can be seen, for example, in the ESG objectives and progress shared in the 152-page 2021 corporate social responsibility (CSR) report.

- **Expanding reporting to meet a growing number of frameworks and regulations.**

CAE's 2021 CSR report follows the GRI Sustainability Standards of the Global Reporting Initiative (GRI). It also follows Sustainability Accounting Standards Board (SASB) disclosure standards for the aerospace and defence, and professional and commercial services industries, provides Task Force on Climate-related Financial Disclosures (TCFD) and CDP reporting, and identifies five United Nations Sustainable Development Goals (SDGs) which align to CAE's corporate strategy and business model. While the list may seem comprehensive, CAE expects more reporting requirements in its future.

- **Engaging with internal stakeholders.**

CAE recognized that the value of information across the broader environmental, social and governance spectrum could be substantial, not just for reporting but also for engaging and inspiring employees. To this end, CAE wanted internal stakeholders to have visibility into the firm's ESG performance.

CAE Selected Novisto To Create Value From ESG And Sustainability Data

With ESG reporting escalating, CAE wanted a way to reduce key pain points in the end-to-end process from data gathering to reporting. In 2019, CAE's Senior Vice President of Public Affairs, Global Communications and Corporate Social Responsibility, H el ene V. Gagnon, met with Novisto's team to identify a solution to address these growing pain points. Gagnon's remit included CSR, global communications and public affairs, and Gagnon also led the CSR committee with representatives from the departments that owned and contributed CSR data, such as health and safety, legal, HR, finance, customer satisfaction, and R&D. Gagnon's role had given her insight into the complexities of gathering, analysing and reporting ESG and sustainability data; she understood that Excel spreadsheets were not going to work for much longer. CAE looked to Novisto to:

- **Capture the benefits of a modern IT-based approach without burdening the IT department.**
CAE wanted to improve the reliability of its ESG data by reducing and eliminating manual data entry and automating as many workflows as possible. In the future, the solution should connect to data at their source, such as data in key systems used across the organization, including Workday and Enablon. CAE also prescribed that it should be easy to add new capabilities and absorb upgrades.
- **Reduce the burden of reporting and disclosure requests.**
With requests, frameworks and regulations increasing, CAE felt as if it was constantly reinventing the wheel every time a new request came in. Ideally, CAE wanted a single system to respond to rating agencies, customers, investors and more. The approach should also accommodate new frameworks as easily as possible.
- **Increase data confidence and create a single source of truth.**
CAE needed to have more accurate, more reliable data, which could be instantly accessible. Documenting the source and approval process for data would also move CAE closer to enabling audits and external validation of CAE's ESG data.
- **Demonstrate a connection between ESG and financial performance.**
Gagnon could speak anecdotally about how ESG and sustainability enhancements were better for CAE, but she wanted to have the data to show a direct, quantified correlation between ESG and financial outcomes.
- **Provide benchmarking data in multiple industry segments and markets.**
CAE did not fit neatly into a single market or industry, and as a result, the firm found it difficult to review its progress relative to other companies. Benchmarking would help CAE to understand where to prioritize initiatives.

Novisto's Approach And Partnership Expedites CAE's ESG And Sustainability Journey

Because Novisto's solution would support CAE's critical ESG requirements and touch valuable corporate information, Gagnon ensured that the approach went through a comprehensive audit, including a legal review and sign off by the IT security team. Although Gagnon was ultimately responsible for the decision and funding the initiative as the Chief VP of CSR, she also consulted with the Chief of Legal, compliance officer and Chief Cyber Security Officer. In addition to improving the reporting processes and data quality, Gagnon defined some of the key wins from moving forward with Novisto as:

- **Enabling Canadian innovation in AI.**

Like CAE, Novisto was headquartered in Canada, which aligned with Gagnon’s interest in supporting local business development, especially in technology. Novisto’s expertise in artificial intelligence (AI) was of particular interest to CAE.

- **Using design thinking to create a solution.**

Gagnon saw the opportunity to influence the design of the Novisto solution, enabling it to both meet her needs and subsequently allow other firms to benefit from her experience. She also considered the design thinking process to be a good approach for capturing her requirements.

- **Bringing automation and intelligence to the ESG data process.**

The solution in place today greatly automates the information collection and approval process. Novisto leverages artificial intelligence for parsing and analytics to streamline data ingestion and create CAE-centric metrics and dashboards.

- **Providing valuable guidance in CAE’s ESG journey.**

Novisto continues to provide subject matter expertise to CAE, including podcasts and training to help CAE ramp up their ESG progress. Novisto has also made valuable suggestions in terms of solution configuration; for example, using curated ESG metrics and KPIs based on CAE’s industry segments and proposing a set of energy management KPIs to track energy efficiency initiatives and programmes. More importantly, CAE regards Novisto as more than just an ESG solution provider; Novisto helps CAE prepare and adapt to changing expectations in ESG and sustainability.



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