

# Environmental protection expenditures by businesses

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## Corporate policy is the driver most often reported by Canadian businesses to justify the acquisition of environmental protection technologies

Certain drivers and obstacles can facilitate or prevent businesses from adopting new or improved technologies, systems and equipment related to environmental protection. In 2018, the main drivers reported were regulations (reported by 15% of businesses), whereas in 2019, regulations were the second highest behind corporate policy (12%). The generation of sufficient return on investment (10%) was the third most important driver in 2019.

In terms of reported obstacles in implementing environmentally friendly modes of production, insufficient return on investment stood out as the main one in 2019 (reported by 17% of businesses). This was followed by competing capital investments (8%) and difficulty in obtaining financing (7%). More than two-thirds of businesses (69%) reported no obstacles, an increase from 2018 (65%).

## A high proportion of paper manufacturing businesses spend funds on resource management activities

In 2019, nearly 9 Canadian businesses out of 10 reported expenditures to protect the environment, while 15% of businesses reported expenditures on resources management.

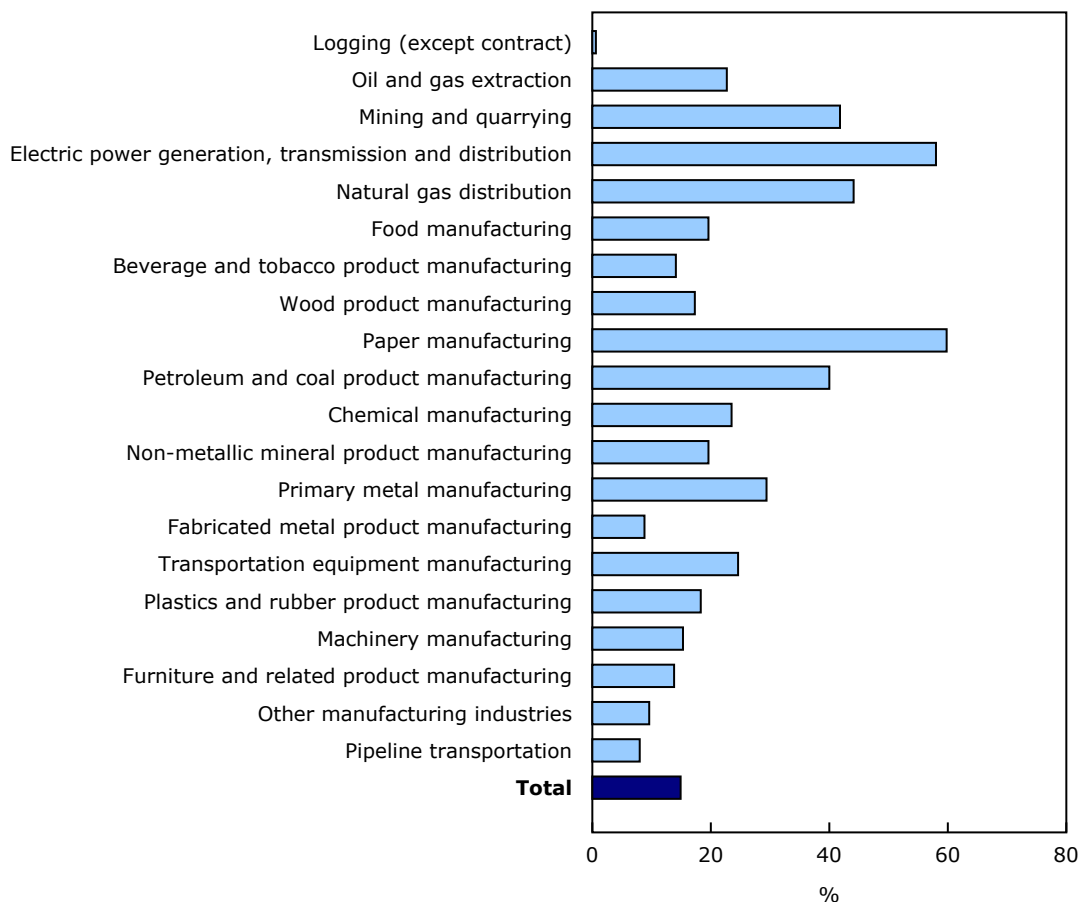
Two broad categories of activities are recognized under environmental protection expenditures: environmental protection activities, which consist of the prevention, reduction or elimination of pollution (e.g., treating wastewater); and resource management activities, which reduce the intensity of natural resource use and environmental impacts (e.g., equipment that reduces heat loss in industrial facilities).

Of the various businesses that reported resource management expenditures (15%), some industries stood out. A majority (60%) of businesses in the paper manufacturing industry invested in technologies, processes and other activities to improve their management of environmental resources in 2019. They were closely followed by businesses in the electric power generation, transmission and distribution industry (58%) and businesses in the natural gas distribution industry (44%).

In 2019, at least 90% of businesses in 12 out of the 20 industries reported environmental protection expenditures. The lowest proportion reported was for the natural gas distribution industry (68%).



**Chart 1**  
**Percentage of businesses that reported expenditures in at least one resource management activity, by industry, in 2019**



**Note(s):** Other manufacturing industries include textile mills; textile product mills; clothing manufacturing; leather and allied product manufacturing; printing and related support activities; computer and electronic product manufacturing; electrical equipment, appliance and component manufacturing; and miscellaneous manufacturing.

**Source(s):** Table 38-10-0147-01.

## Just over one-third of Canadian businesses use at least one environmental management practice

In 2019, 36% of businesses used at least one environmental management practice, just over 5 percentage points less than in 2018. Businesses adopt these practices in order to reduce their environmental impact. The use of an environmental management system, i.e., a management structure that allows a business to assess and control the environmental impact of its activities, was the most common practice (reported by 19% of businesses), followed by developing or following a pollution prevention plan (17%) and performing a greenhouse gas emissions inventory (11%).

More than half of businesses in the primary metals manufacturing (58%), pipeline transportation (56%), mining (54%), and petroleum and coal products (53%) industries used a pollution prevention plan in 2019, representing industries with the highest adoption rate of the practice.

### Note to readers

*This release presents supplementary data from the 2019 Environmental Protection Expenditures Survey. The first publication took place on March 28, 2022 and focused on a comparison between operating and capital expenses.*

*This annual survey is conducted with around 6,000 establishments in selected primary industries and in the manufacturing sector. Measures of industrial spending on environmental protection include all spending made to protect the environment, and not only those made in response to regulations.*

*Starting in the 2019 reference year, new content was added to collect data on clean vehicles and transportation technologies, along with a new obstacle category. Therefore, comparisons with 2018 estimates should be done with caution.*

**Environmental protection expenditures:** *All operating expenses and capital and repair expenditures whose primary purpose is the prevention, reduction or elimination of pollution and/or other forms of degradation of the environment as well as measures taken to restore the environment from a degraded state. This includes expenditures that a business incurred for pollution prevention, abatement and control; solid waste management; wastewater management; protection and remediation of soil, groundwater and surface water; protection and restoration of biodiversity and habitat; clean vehicles and transportation technologies; environmental monitoring; environmental assessments and audits; relevant training and administrative costs, etc.*

**Resource management expenditures:** *All operating expenses and capital and repair expenditures whose purpose relates to the effective management of resources. In this survey, resource management includes heat or energy savings and management, the purchase of biofuels, biochemical products or biomaterials, as well as expenditures for the production of energy from nuclear or renewable sources.*

**Available tables:** [38-10-0132-01](#), [38-10-0135-01](#) to [38-10-0137-01](#) and [38-10-0147-01](#).

**Definitions, data sources and methods:** survey number [1903](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).