

Sustainable Development Performance Report 2012–2013

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2012–2013.*



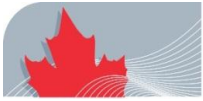


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Message from the Assistant Commissioner, Strategy and Integration Branch

I am pleased to present the Canada Revenue Agency (CRA) Sustainable Development Performance Report 2012–2013. The report highlights the achievements of our Sustainable Development (SD) Program in the second year of the CRA's Sustainable Development National Action Plan 2011–2014. The CRA has made significant progress in completing its planned SD activities, achieved tangible and sustainable results, and is well positioned to meet the targets set in the Sustainable Development Strategy 2011–2014.

I would like to take this opportunity to commend employees for their ongoing and outstanding support as we continue our efforts to integrate SD into our business operations. Together we are making sustainability an integral part of our decision-making processes and, in turn, part of our corporate culture.

As the Assistant Commissioner responsible for overseeing the CRA SD Program, I am proud of the role I play in making sure sustainability is part of our organization. I encourage all CRA employees to continue thinking and acting sustainably to help protect our society, the economy, and the environment.

Catherine Bennett
Assistant Commissioner
Strategy and Integration Branch



1.0 Introduction and background

This report summarizes the CRA's performance against the commitments in its *Sustainable Development National Action Plan 2011–2014*. The results address progress made in the second year of the CRA's *Sustainable Development Strategy 2011–2014*. The details provided are organized by the three goals of the national action plan (NAP):

Goal 1: Minimize the impact of our operations on the natural environment (land, air, and water)

Goal 2: Deliver sustainable programs and services to Canadians

Goal 3: Improve business sustainability

2.0 Meeting legal requirements

The CRA is subject to federal laws and regulations that ensure sustainable development and the protection of the natural environment. In cases where federal legislation and regulations do not apply directly, the CRA continues to promote SD best practices to manage operations in an environmentally responsible manner. The following section outlines how the CRA managed its legal obligations in 2012–2013.

2.1 Federal Sustainable Development Act

The *Federal Sustainable Development Act* (FSDA) was passed by Parliament in June 2008 and requires the federal government to develop and implement a federal sustainable development strategy (FSDS). The first FSDS (2010–2013) was tabled in October 2010 and mandated federal departments and agencies, including the CRA, to prepare a 2011–2014 departmental sustainable development strategy to support the FSDS. The CRA SD strategy 2011–2014 came into effect on April 1, 2011, and represents the CRA's ongoing commitment to SD.

2.2 Canadian Environmental Protection Act (CEPA 1999)

2.2.1 Federal Halocarbon Regulations

The *Federal Halocarbon Regulations* prohibit the release of halocarbons into the environment and outline specific requirements for managing halocarbon-containing systems—from buying the systems through to disposing of them. As of March 31, 2013, the CRA has completed halocarbon inventories in 86% (117 of 136) of its facilities and managed more than 1,400 halocarbon-containing systems¹. Four halocarbon releases between 10 and 100 kg were recorded in 2012–2013. Each release was reported to Environment Canada as required by the Regulations. One occurred in the Pacific region, one occurred in the Ontario region, and two occurred in Headquarters.

¹ At the CRA, halocarbon-containing equipment consists mainly of refrigeration and air-conditioning systems.



2.2.2 Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations

The *Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations* require that all storage tank systems be formally registered with Environment Canada and maintained in a manner that reduces the risk of contaminating soil and ground water due to spills and leaks. The CRA owns and manages one storage tank system in Headquarters (at 555 MacKenzie Avenue) which stores fuel for back-up electricity generators. This storage tank was reviewed in 2012–2013 and was found to comply with the Regulations. The storage tank will be assessed annually to ensure ongoing compliance.

2.3 Alternative Fuels Act

The *Alternative Fuels Act* requires that 75% of vehicle acquisitions have alternative transportation fuels (ATF) capability, where cost effective and operationally feasible. The CRA met the requirements of the Act in 2012–2013. The CRA acquired two hybrid vehicles during the period, as well as one ATF-capable vehicle and eight traditional fueled vehicles. All 11 vehicles were right sized and most fuel-efficient in class based on operational requirements.

3.0 Sustainable Development National Action Plan 2011–2014 results

This section outlines key SD Program results achieved in the second year of the *Sustainable Development National Action Plan 2011–2014* (NAP). Results are grouped by the three NAP goals.

Goal 1: Minimize the impact of our operations on the natural environment (land, air, and water)

The targets and activities supporting Goal 1 aim to reduce the negative effects of the CRA's operations on the natural environment. The key areas of focus include solid waste management, green procurement, paper reduction, real property footprint reduction, emission reduction, energy conservation, and hazardous substances management.

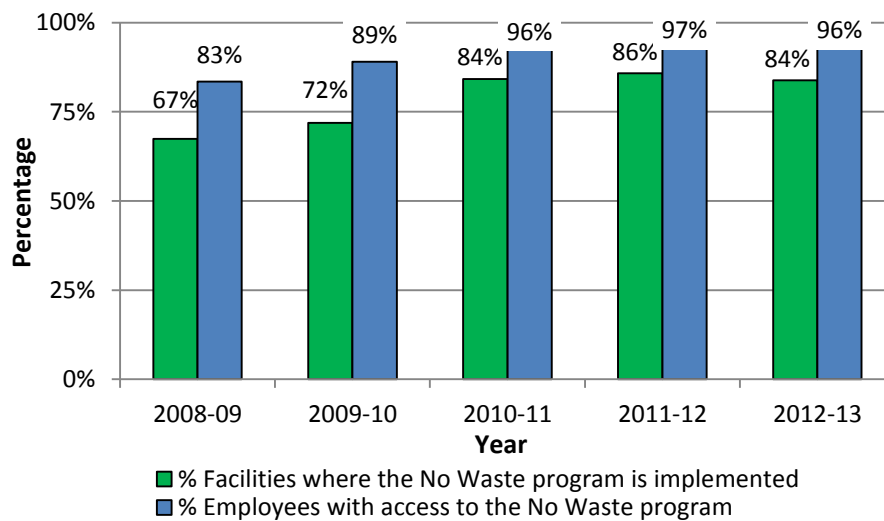
Solid waste management

The CRA continued its efforts to implement the No Waste program in more of its facilities as the program has proven to significantly reduce the amount of solid waste sent to landfills. As of March 31, 2013, the No Waste program was operating in 84% of CRA facilities (114 of 136) and about 96% of CRA employees had access to it in their workplace. It is becoming increasingly difficult to implement the program in the remaining facilities because of the small number of employees working at these locations. However, the CRA will continue to explore the feasibility of implementing the No Waste program in additional facilities to meet the NAP target of



90% of facilities by March 31, 2014. **Figure 1** compares the percentage of CRA facilities with implemented No Waste programs and the percentage of employees with access to the program between 2008–2009 and 2012–2013.

Figure 1: Percentage of CRA facilities and employees with access to the No Waste program



Green procurement

The CRA continued to procure environmentally friendly products and services, where possible, to reduce the impacts of its operations on the environment. CRA procurement spending totaled \$217 million in 2012–2013, of which \$33.5 million (15.4%) was green procurement. This surpasses the March 31, 2014, target of 10% green procurement and is a significant increase from the 10.5% green procurement observed in 2011–2012.

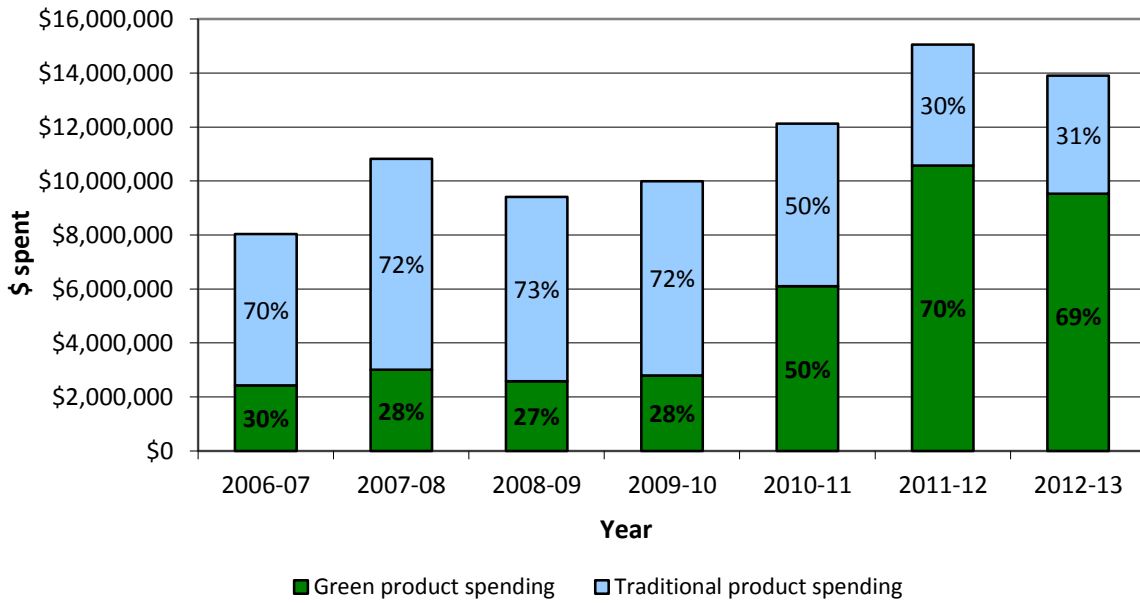
The CRA’s online procurement tool, Synergy, was modified to denote green products and services in bold green text in the item description. Synergy also maintained a function that allows users to filter product and service search results based on whether or not they are green. These enhancements make viewing and selecting green products easier for CRA employees. New procurement officers also learned about green procurement through the green procurement training they are required to complete before they can get an acquisition card, which allows them to make purchases through Synergy.

In 2012–2013, 69% of the purchases made through Synergy were for green products and services, compared to just 28% in 2009–2010. This maintained the high percentage of overall green procurement spending in



Synergy, which peaked at 70% in 2011–2012. **Figure 2** compares green procurement spending in Synergy and total Synergy spending between 2006–2007 and 2012–2013.

Figure 2: CRA green spending through Synergy²



Office paper reduction

The annual national paper reduction campaign was held on April 22, 2012, as part of the CRA’s Earth Day celebrations. The 2012 Earth Day theme was “Make a good impression—print less!” and the campaign focused on reminding employees that implementing simple paper best practices reduces paper use, conserves natural resources, and saves money. The national Earth Day webpage and supporting promotional materials gave employees comprehensive instructions on how they can reduce paper consumption by using software shortcuts.

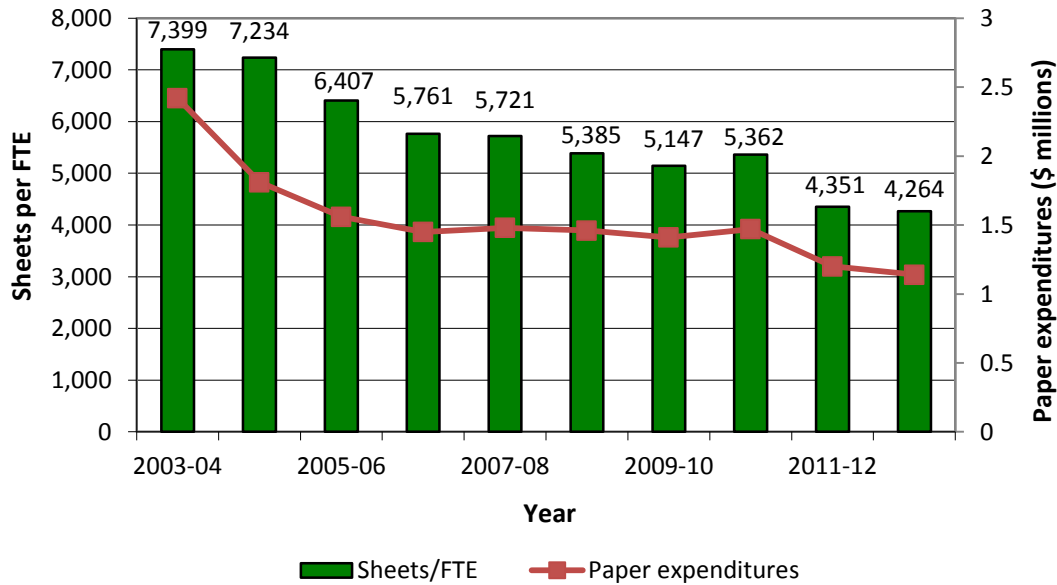
In 2012–2013, office paper use fell to 4,264 sheets per full-time equivalent (FTE), a 2% decrease from 2011–2012 and a 33% decrease from 2005–2006. Annual spending on office paper fell 5% compared to the previous year and is 27% lower than in 2005–2006. This not only maintains the CRA’s overall paper reduction trend but also surpasses the CRA’s March 31, 2014, paper reduction target of 28% per FTE compared to baseline year 2005–2006. To ensure these levels (and savings) are maintained, the CRA will continue to

² Total contract values were used in the data calculation until 2009–2010. Later data is based on total spend amounts.



promote paper best practices throughout the final year of the strategy. **Figure 3** shows the CRA’s use of multi-purpose office paper per full-time employee over the last 10 years and shows the trend in overall spending on paper over the same period.

Figure 3: Annual office paper use and expenditures



Real property footprint reduction and sustainability

Efforts to reduce the CRA’s real property footprint continued in 2012–2013. The CRA’s real property service provider, Public Works and Government Services Canada (PWGSC), implemented a Sustainable Buildings Policy that requires any new federal office building, crown-owned or long-term leased, being built to meet the Canada Green Building Council’s Leadership in Energy and Environmental Design (LEED) gold performance level. PWGSC also continued its commitment to meet the LEED silver performance level for major building renovations. The CRA worked with PWGSC to ensure a high level of environmental performance when acquiring and renovating CRA-occupied facilities during the period. Plans for the new Quebec Tax Services Office facility indicate it will meet LEED gold standards when it is finished. Work on formally updating the CRA’s operational site selection criteria to further integrate SD objectives will be done in 2013–2014.

As part of the 2012 federal budget, the Government announced new workplace standards that will use office space more efficiently. PWGSC issued Workplace 2.0 fit-up standards in April 2012 to ease implementation throughout the federal government. Commitments in the CRA’s Deficit Reduction Action Plan target an agency-wide reduction of 65,000 m² of occupied space by 2016–2017. In October 2012, a list of upcoming lease expiries that have opportunities for space reductions was made and communicated to PWGSC in the CRA Program of Work. The listed sites are the immediate focus for implementing the new standards for



modernized office environments as the leases are renewed. These efforts have resulted in the CRA’s overall office space occupancy being reduced by 4,673 m² (0.5%) in 2012–2013.

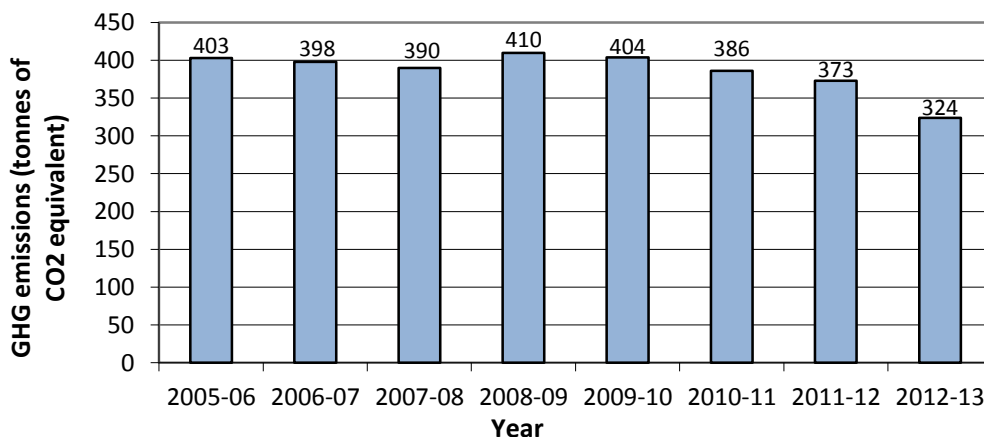
Emission reduction

The CRA continued to green its vehicle fleet and reduce GHG emissions by buying best in class fuel-efficient vehicles. The CRA bought 11 new vehicles in 2012–2013 as replacements for aging vehicles. Two of these vehicles were hybrids and another was alternative transportation fuel (ATF) capable. The acquisition of these three vehicles saw the percentage of the CRA fleet that is either hybrid or ATF-capable fall slightly to 55% (the net increase of two hybrid vehicles was offset by the net reduction of five ATF fleet vehicles).

The other eight vehicles the CRA bought in 2012–2013 were traditional fuel vehicles, seven of which had smaller engines (fewer cylinders) than the vehicles they replaced. The remaining vehicle had a similar engine size because of operational requirements. All the new vehicles the CRA acquired were right-sized and most fuel-efficient in class based on operational requirements. As of March 31, 2013, there were 82 vehicles in the CRA fleet. Of these 82 vehicles, 11 were hybrids (13%), 34 were ATF-capable (42%), and 37 were traditional gasoline or diesel vehicles (45%).

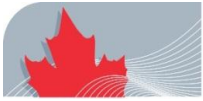
CRA fleet vehicle reductions and greening efforts continued to reduce annual GHG emissions. In 2012–2013, CRA fleet emissions fell by 13% from the previous fiscal year to 324 tonnes of GHGs³. This represents a 19.6% decrease from the 2005–2006 baseline year and surpasses the NAP target of a 5% reduction by March 31, 2014. This also exceeds the long-term FSDS target to reduce operational GHG emissions by 17% by 2020⁴. **Figure 4** shows total annual GHG emissions from the CRA fleet between the 2005–2006 baseline year and 2012–2013.

Figure 4: Greenhouse gas emissions from the CRA fleet



³ GHG emissions are expressed as carbon dioxide (CO₂) equivalent, which is a standardized measure used to compare the emissions from various GHGs. The conversion factor is calculated using the global warming potential of each GHG relative to that of carbon dioxide.

⁴ The baseline year for the federal target is also 2005–2006.



Energy conservation and device reduction

Smart energy use was a main theme of the 2012 CRA Waste Reduction Week campaign which was held from October 15 to 21. The slogan for the event was “Work smart – waste less!” and the campaign promoted energy conservation tips and best practices to all employees.

Efforts to green CRA information technology (IT) increased and are seeing significant results. The CRA is aware of electronic and electrical equipment (EEE) lifecycles and considered the SD impacts of producing, using, and disposing of IT products when making procurement decisions. IT-related requests for proposals (RFPs) asked prospective vendors to describe how their technologies or solutions will provide green benefits to the CRA.

The CRA continued implementing the office print rationalization initiative to optimize the office printing environment and right-size its fleet of printers. As of March 31, 2013, the CRA had achieved a 9.3:1 ratio of employees to printers, surpassing the 8:1 target ratio. The number of desktop computers, notebooks, and printers used by the CRA also decreased by 5% from March 31, 2012, to March 31, 2013 (from 105,805 devices to 100,363 devices). This reduces the CRA’s energy consumption from office equipment, especially since older devices which are typically less energy efficient are being retired.

The number of distributed computing environment (DCE) servers in use at the CRA was reduced from 947 to 836 over the 2012–2013 fiscal year. This 12% reduction in DCE servers is one of the main reasons the overall energy consumption at two key CRA data centres decreased over the period. In the fourth quarter of 2011–2012, Data Centre Heron (DCH) consumed 647 kW of energy while Data Centre St-Laurent (DCSL) consumed 615 kW. A year later, in the fourth quarter of 2012–2013, the energy consumption had fallen to 485 kW at DCH and 525 kW at DCSL. These are energy use reductions of 25% and 15% respectively and are mainly the result of no longer using older servers and direct access storage devices. It should be noted that the CRA’s server assets and data centres were transferred when Shared Services Canada (SSC) was created in October 2011.

The CRA also continued to consolidate its servers, which reduces space and energy requirements. The CRA used virtualization and thin provisioning technologies, blade servers, and took advantage of existing network infrastructure to meet its data management needs with greater energy efficiency. Cooling requirements also decreased as data centre equipment was removed from service and more efficient systems were put in place.

To meet operational requirements, the CRA will continue to work with SSC to gradually increase its IT processing capacity through a combination of old technology retirements and new technology deployments. In the short term, as the CRA continues to replace outdated servers and technologies, it is expected that overall IT processing capacity will increase while overall data centre energy consumption levels will stabilize due to significant gains in energy efficiency.



Hazardous substances management

Halocarbons

In 2012–2013, the CRA finalized the Halocarbon System Replacement Plan and posted it on the national SD website. This document gives stakeholders across the CRA guidelines for replacing aging and targeted halocarbon systems⁵ located in CRA facilities to minimize risks and avoid the release of CFCs and halons into the environment. These chemicals contribute to several environmental issues such as ozone depletion and climate change. Work continues on the Halocarbon Standard Operating Procedures, and the CRA expects to finalize this document in 2013–2014.

Battery recycling

The CRA continued to implement battery recycling programs in additional facilities. In February 2013, the CRA promoted Stewardship Ontario's free battery recycling program to its SD Network in Ontario. This no-cost program partners with Raw Materials Company (RMC)—one of the CRA's national battery recycling contractors. The program aims to increase the number of battery collection points throughout Ontario and reduce the amount of batteries that end up in landfills. As a result of this free program, 20 facilities in Ontario introduced a battery recycling program or updated their existing program.

In 2012–2013, the CRA collected and recycled 1,308 kg of batteries—731 kg through RMC and 577 kg through Call2Recycle, the CRA's other battery recycling contractor. As of March 31, 2013, 126 of the CRA's 136 facilities (93%) had battery recycling programs.

Goal 2: Deliver sustainable programs and services to Canadians

The targets and activities supporting Goal 2 aim to increase the sustainability of the programs and services the CRA offers to Canadians.

Paper savings

The CRA continues to develop additional online options that allow Canadians to use less paper when filing their taxes and interacting with the CRA. The 2012 tax filing year continued the trend of an increasing percentage of individuals and businesses filing their taxes electronically. Over 64%⁶ of individual (T1) filers used electronic services to submit their tax documents in 2012, an increase of 3% compared to 2011. The 2012 tax filing year also marked the first time that the percentage of electronic business (T2) returns surpassed the percentage of electronic individual returns. In 2012, the uptake of electronic T2 tax filing rose to 70%. This

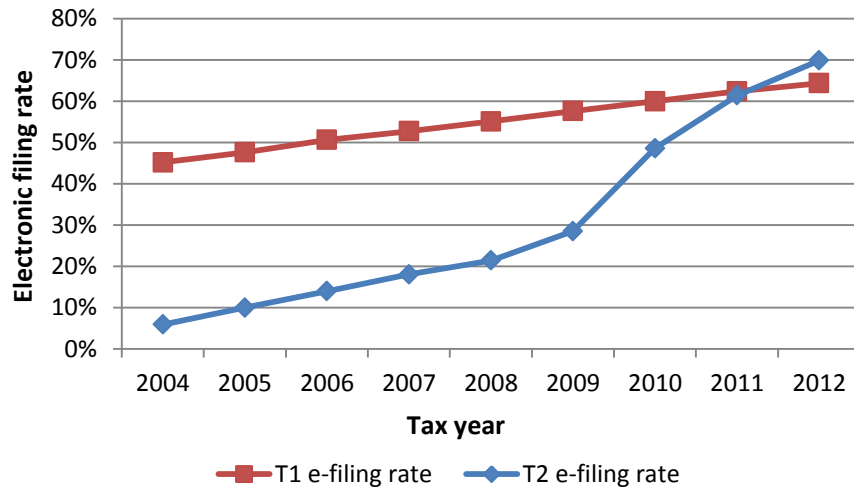
⁵ Halocarbon systems at the CRA mainly include refrigerators, air conditioners, water coolers, and fire extinguishers.

⁶ Based on data from the 2012 program year (February 13, 2012 to January 25, 2013).



represents a 14% increase from 2011 and a 44% increase from 2010. **Figure 5** shows the increasing trend of electronic filing for T1 and T2 returns between the 2004 and 2012 tax years.

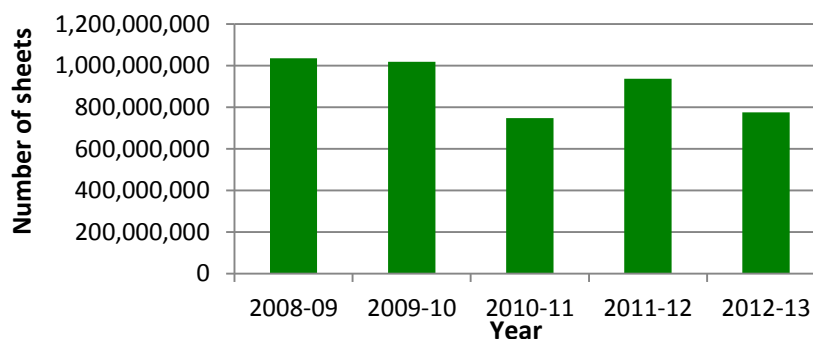
Figure 5: Trends in individual (T1) and business (T2) electronic tax filing



Electronic tax filing leads to considerable paper savings for the CRA and Canadian taxpayers. EFILE and NETFILE have helped save almost 7.5 billion sheets of paper since they were introduced in 1990. For the 2012 tax filing year, the CRA estimates that 771 million sheets of paper were not used because of electronic filing. Of this number, an estimated 217 million sheets were saved because of paperless tax filing and correspondence and 554 million sheets were saved because fewer tax guides were printed.

In August 2013, the Public Affairs Branch (PAB) issued a paper consumption report estimating the annual paper use for external publications between 2008–2009 and 2012–2013. It found that the CRA used about 1,035 million sheets of paper for external publications in baseline year 2008–2009 and 776 million sheets in 2012–2013. This is a reduction of 25% and exceeds the NAP target of a 10% reduction from the baseline year by March 2014. **Figure 6** shows the paper used in external CRA publications between 2008–2009 and 2012–2013.

Figure 6: Paper used in external publications



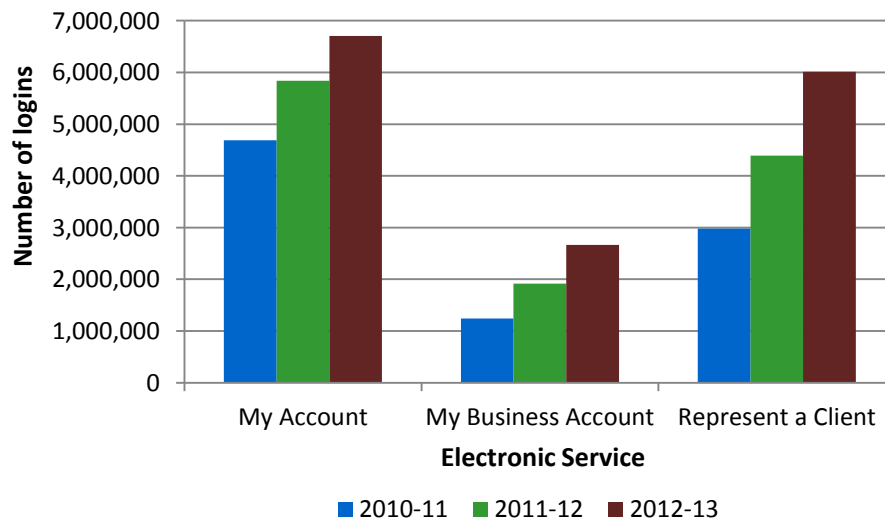


Electronic services

The CRA’s efforts toward developing and enhancing electronic services continued in 2012–2013 and resulted in record use by Canadian taxpayers and benefit recipients during the period. As previously stated, electronic T1 and T2 tax-filing rates reached all-time highs during the period and this trend looks like it will continue. Taxpayers are filing electronically not only because of the increased simplicity of the process but also because their returns are processed faster. In the 2012 tax year, the CRA processed paper-based T1 returns in 4.3 weeks on average while electronic T1 submissions were processed on average in 1.6 weeks—64% faster.

The use of other CRA online services is also increasing significantly. In 2012–2013, 546,966 individuals signed up for My Account, 59,959 business owners enrolled with My Business Account, and 37,079 representatives registered with Represent a Client. These are enrolment rate increases of 15%, 21%, and 29% respectively, compared to those from 2011–2012. The data also shows that the use of these three online services continued to increase in 2012–2013. The number of logins to My Account, My Business Account, and Represent a Client all increased from the numbers seen in 2011–2012. Logins to My Account increased by 15% to 6.7 million, logins to My Business Account climbed 39% to just over 2.65 million, and logins to Represent a Client rose 37% to 6.0 million. **Figure 7** compares the number of user logins to these three services between 2010–2011 and 2012–2013.

Figure 7: Number of logins to My Account, My Business Account, and Represent a Client



SD integration

The CRA continues to include SD provisions in new memorandums of understanding (MOUs) and letters of intent (LOIs). SD clauses are in the standard templates used when developing these formal partnership documents and are removed only at the client’s request. As a result, most new MOUs and LOIs the CRA issues contain SD clauses. These clauses most often relate to using technology to realize efficiencies and reduce waste.



Each year, the CRA holds community outreach events around the country to increase awareness of its tax and benefits programs and to show participants how to apply for these programs. In 2012–2013, 63% of these events were “greened” in some way (e.g., paper reduction). More of the CRA’s community outreach is being done through webinars and online tax information videos, which are seen as more efficient ways of sharing information than kiosks in the field. Online records registered 50,397 views to the CRA suite of tax information videos in 2012–2013. These videos cover topics such as payroll information for a new small business, keeping records, starting a business, preparing your income tax and benefit return, and newcomers to Canada and the Canadian tax system.

Goal 3: Improve business sustainability

The targets and activities supporting Goal 3 look to improve the sustainability of the CRA by integrating SD considerations into human resource management, information technology processes, and the CRA’s accountability framework.

SD in performance agreements and expectations

The CRA’s executive/cadre (EC) and management/gestion (MG) level employees continue to show their support for the SD Program by including SD-related clauses in their performance agreements and expectations. In 2012–2013, 25% of ECs included SD in their performance agreements compared to 99% in the previous period. The reason for this is that the SD component in the EC performance commitments foundation table went from being a core commitment to a measure within the individual commitments section. However, in 2013-2014, SD was reintegrated as a core commitment and inclusion rates are expected to be higher. The percentage of MGs that included SD in their performance expectations fell slightly to 76%. This is a decrease of 5% from the previous year.

SD learning

The CRA continued to deliver the SD training module of the MG Learning Program (MGLP) throughout 2012–2013. The SD module increases the participating MGs’ understanding of SD and improves their capacity to support SD in the workplace. In 2012–2013, 294 MGs participated in 15 MGLP sessions. The CRA will continue delivering the SD component of the MGLP in the first and second quarters of 2013–2014, before the program is replaced by the new Leadership Plus program in September 2013. The development of the SD component of Leadership Plus began in the fourth quarter of 2012–2013 and will offer MGs SD training similar to that offered under the MGLP. This new program will blend self-study online learning with facilitator-led classroom instruction. Both environmental and cost savings will be realized through a reduction in travel and accommodation requirements, as in-class elements are reduced from three weeks to two, and through a decreased requirement for printed training materials, since more course content will be available online.



The Human Resources Branch (HRB) continued to increase the availability of electronic training and learning materials in 2012–2013 to reduce travel and accommodation expenditures as well as hard copy paper requirements. About 80% of the new learning products developed over the period include an e-learning component—37% of which are blended (consisting of facilitator-led and e-learning elements) and 43% are e-learning only. HRB also developed an interactive learning materials project that allows all facilitator and participant course materials to be designed, developed, and published in PDF format. This leads to significantly decreased printing and shipping costs because employees can now access the required training materials online. The Tax Centre Virtual Tour e-learning product was also introduced, which replaces the live information sessions that were delivered locally, resulting in savings in travel, accommodation, and printing costs. The electronic performance support (EPS) tools available through KnowHow were also expanded to give employees online access to more job-related information.

In 2012–2013, HRB promoted the use of the webconferencing tool IBM Sametime to make it easier to learn at a distance, thereby reducing the need for paper-based training materials and related travel and accommodation costs. Standardized learning event evaluation questionnaires are now available for regional learning products through My Learning in the Employee Self-Service (ESS) portal. This allows the CRA to continue measuring the efficiency of its learning materials without using paper evaluation forms. Online learning evaluations will become available for national learning products in 2013–2014.

Employee engagement

The CRA continued promoting the three national SD events (Earth Day, Environment Week, and Waste Reduction Week) to increase employee awareness and support for SD and to improve employee understanding of how they can contribute to SD in their day-to-day work activities. For each event, the CRA developed a theme, a computer login/logoff screen banner, online resources, and an event planning kit to help the SD Network and SD committees organize local initiatives across the Agency. SD committees in the branches and regions developed and hosted a variety of local and branch/regional activities supporting the themes of the national events. The CRA and the SD Network also continued recognizing employee contributions to SD in the workplace through local and agency-wide recognition programs.

SD Network

The SD team in Headquarters (HQ) manages the CRA SD program. It relies on the branch and regional SD representatives, branch SD coordinators, regional SD liaisons, and members of local SD committees to implement the SD Program across the country. The SD team in HQ supports the SD Network through orientation sessions, quarterly teleconferences, semi-annual SD reports, participation in local SD committee meetings, and the preparation and dissemination of tools, guidelines, best practices, and other resources. The team also monitors a general email inbox where the SD Network and all other CRA employees are encouraged to send their questions and issues related to SD for response.



4.0 Conclusion

As this report shows, the CRA has made significant progress in implementing the planned activities set out in the *Sustainable Development National Action Plan 2011–2014*. About 94% of the work planned for the period has been completed. More specifically, 98% of the work planned for Goal 1 activities was completed, 100% for Goal 2 activities, and 82% for Goal 3 activities. By completing 94% of the planned work for the second year of the three-year SD NAP and having already met or exceeded 7 of 15 SD strategy targets, the CRA is well positioned to meet its SD commitments and achieve its *Sustainable Development Strategy 2011–2014* targets by March 31, 2014.