

June 2, 2026

**The Honourable François-Philippe Champagne**

Minister of Finance and National Revenue

Office of the Minister of Finance

90 Elgin St, Ottawa Ontario, K1A 0G5

Sent by email to: [minister-ministre@fin.gc.ca](mailto:minister-ministre@fin.gc.ca)

**Re: Principles to guide mandatory financially-material climate disclosure standards in Canada**

Dear Minister Champagne,

Each signatory to this letter is an institution in Canada's financial sector. We are writing to set out the principles that should guide the adoption and implementation of mandatory financially-material climate disclosures in Canada consistent with the recommendations of the Government of Canada's Sustainable Finance Action Council (SFAC).

As Canada seeks to build national infrastructure and strengthen its economy, financially-material climate-related disclosures are a critical tool to attract the domestic and international investment needed to advance our economic growth objectives. According to the International Financial Reporting Standards Foundation, jurisdictions representing 60 per cent of global GDP are already using or moving toward the International Sustainability Standards Board (ISSB) framework as a baseline for mandatory disclosures, including 14 of Canada's 15 largest trading partners outside of the United States.

We understand that the growing gap between Canada and other markets impacts both domestic and foreign investment in Canadian companies. According to the Institute for Sustainable Finance, Canadian companies that voluntarily disclose in alignment with international standards attract 4 per cent more foreign and institutional investment than those that do not.<sup>1</sup>

Each signatory individually recommends and supports the following principles to guide the adoption and implementation of mandatory financially-material climate disclosures in

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<sup>1</sup> Forthcoming research from the Institute for Sustainable Finance, presented in Ottawa on April 15. See also Prateek Sood, Will mandatory sustainability disclosures strengthen Canada's capital markets? Institute for Sustainable Finance, April 2026: [mandatory-disclosures.pdf](#).

Canada. These principles reflect the recommendations made by the SFAC in its 2023 letter to the Minister of Finance and endorsed by 25 of Canada's largest financial institutions:<sup>2</sup>

1. **Ensure interoperability with global standards:** ISSB has emerged as the global standard for decision-useful disclosures grounded in financial materiality. Consistent application of ISSB-aligned disclosure is essential to facilitate foreign investment in Canada.
2. **Exempt small issuers:** Large companies already have experience reporting under a variety of voluntary standards. Disclosure expectations should exempt small issuers and preserve the Canadian Sustainability Standards Board's (CSSB) proportionality mechanisms for other issuers.
3. **Ease adoption by phasing-in requirements over time:** CSSB acknowledged that while operational greenhouse gas accounting has been well established, there is need for flexibility and phased implementation of some elements, including climate resilience (scenario analysis) and value chain (Scope 3) emissions.
4. **Provide safe harbour:** To enable disclosure of information on a best-efforts basis, as data availability, capacity and methodologies develop overtime.

The CSSB's framework has been built with these principles in mind to form the reference standard for financially-material climate-related disclosure in Canada.

CC:

Ryan Turnbull, Parliamentary Secretary to the Minister of Finance and National Revenue

Nick Leswick, Deputy Minister, Department of Finance

Julien Brazeau, Assistant Deputy Minister, Financial Sector Policy Branch, Department of Finance

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<sup>2</sup> Letter to Deputy Prime Minister Freeland and Minister Guilbeault, SFAC recommendations to the Government of Canada on advancing climate-related disclosures in Canada, February 2023: [SFAC-Disclosure-EN.pdf](#)