

January 12, 2026

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
Submitted via email: comments@osc.gov.on.ca

Re: OSC Statement of Priorities for Fiscal Year 2026-2027 (“The Statement of Priorities”)

Dear Members of the Commission,

British Columbia Investment Management Corporation (BCI) is one of Canada’s largest institutional investors, managing C\$295 billion in gross assets on behalf of 32 British Columbia public-sector and institutional clients as of March 31, 2025. For 25 years, BCI has partnered with its clients to help deliver on their commitments and create enduring value in British Columbia and beyond.

We appreciate the opportunity to comment on the Ontario Securities Commission’s (OSC) Statement of Priorities for fiscal year 2026-2027. We support the OSC’s strategic priorities and the commitment to enhancing competitiveness, fostering capital formation, and maintaining investor protections. This submission focuses on environmental, social and governance (ESG) matters within the Statement of Priorities, specifically climate-related disclosures, diversity disclosure and the OSC’s Truth and Reconciliation Action Plan. As an investor that integrates ESG considerations into our investment processes, we offer these comments on how enhanced disclosure can support the OSC’s strategic goals, particularly *Strategic Goal 6: strengthening the OSC’s position as a trusted and influential voice in Canadian capital markets*.

BCI’s Approach to Climate Disclosure

BCI’s perspective on climate disclosure is informed by our comprehensive approach to climate risk management, which integrates ESG considerations into investment processes, and includes portfolio company engagement, policy advocacy, and proxy voting.

ESG Integration and Climate Action Plan

BCI integrates climate considerations into investment decisions at the asset, portfolio, and total client portfolio levels. Our **2022 Climate Action Plan** established a commitment to ensure that by 2030, at least 80% of our most carbon-intensive investments have mature net-zero aligned commitments or are the subject of direct or collaborative engagement by BCI.

Achieving this objective requires consistent, comparable climate data. We use climate disclosures to benchmark companies against net-zero pathways, identify which holdings require engagement, track

progress on commitments over time, and conduct climate stress testing to understand portfolio resilience.

Engagement Activities

BCI actively engages companies on climate disclosure and performance. We participate in Climate Action 100+ as a global steering committee member, and support 13 collaborative engagements in lead, co-lead, or contributing capacities with companies in North America and Asia. Through both direct and collaborative engagement, we encourage companies to develop action plans with interim emission reduction targets, enhance climate-related disclosure aligned with ISSB standards, integrate climate metrics into executive compensation, and improve climate governance and risk oversight.

Proxy Voting Record

Our proxy voting reinforces these engagement objectives. Our **2025 Proxy Voting Guidelines** state that we will vote against directors where companies have not provided material climate risk information or lack climate risk management targets and practices. During the 2024-2025 proxy season, BCI voted against 44 directors at 22 Canadian companies for insufficient climate-related disclosures. More details can be found in our **2024-2025 Stewardship Report**.

MATERIAL CLIMATE RISK DISCLOSURE REVIEWS

We note the Statement of Priorities includes assessing compliance with existing disclosure requirements, deepening understanding of current disclosure practices, considering stakeholder feedback on safe harbour provisions and civil liability protections, and monitoring domestic and international regulatory developments.

We strongly support this work and recommend that it be elevated to explicit priority status among the key priorities for 2026-2027, given the current disclosure environment and Canada's competitive position globally.

The Current Disclosure Environment

Through our monitoring of portfolio holdings, we have observed material changes in disclosure practices across multiple sectors. Independent research from Queen's University Smith School of Business documented that at least 34 companies (representing 15% of the S&P/TSX Composite Index) issued disclaimers or removed environmental disclosures following the enactment of new greenwashing amendments through Bill C-59's in June 2024.¹ Our own review of upstream and midstream oil and gas holdings confirms this pattern, with several major producers removing sustainability reports, emissions data, and discussion of climate targets from public websites. Major Canadian banks have also pulled back sustainability-related communications.

In November 2025, the federal government announced proposed amendments to the new greenwashing rules through Bill C-15, which removed the "internally recognized methodology"

¹ Smith School of Business, Queen's University. (2024). *BRIEFING NOTE: Bill C-59: Government intentions vs. market reactions*. August 2024. Available at: <https://smith.queensu.ca/centres/isf/pdfs/briefing-note-billc-59.pdf>

requirement and eliminated third-party rights of action.² While these changes may address some business concerns, it remains uncertain whether companies will resume robust disclosure given continued penalties (up to 3% of worldwide gross revenues) and testing requirements. As of January 2026, we have not observed companies reinstating the climate-related disclosures that were removed in 2024.

As the OSC and the CSA have noted, securities legislation already requires issuers to disclose material climate-related risks affecting their business.^{3 4}

Capital Competitiveness Implications

The current voluntary disclosure regime has resulted in inconsistent and fragmented information, placing institutional investors at a disadvantage for making informed decisions and requiring additional costs to obtain information through other means.

This, in turn, creates competitive disadvantage for Canadian issuers, as it relates to:

- **Global Disclosure Standards:** Nearly 40 jurisdictions accounting for approximately 60% of global GDP are adopting or otherwise using the ISSB Standards;⁵
- **G7 Comparisons:** CDP data shows Canadian companies on the S&P/TSX ranked last among G7 countries in using science-based targets, with nearly three-quarters lacking any targets or commitments⁶; and
- **Capital Allocation:** Global institutional investors use climate disclosure for ESG index construction, portfolio screening and allocation decisions. A 2024 survey of 350 global institutional investors found that 95% assess financially material sustainability risks and opportunities in their investment decisions.⁷ Canadian companies without disclosure comparable to international peers face structural disadvantages in accessing these pools of capital.

Given these market dynamics and the current uncertainty in Canada's disclosure environment, we recommend the OSC take the following actions:

- **Elevate Climate Disclosure Work to Explicit Key Priority Status:** Elevating this work to one of the stated key priorities would signal the importance of continued securities law compliance and support Goal 6 by positioning the OSC in alignment with International Organization of Securities

² MLT Aikins. (2025). "Proposed legislation would scale back 'anti-greenwashing' provisions in Competition Act." November 24, 2025. Available at: <https://www.mltaikins.com>

³ Canadian Securities Administrators. (2025). "CSA updates market on approach to climate-related and diversity-related disclosure projects." News release, April 23, 2025. Available at: <https://www.securities-administrators.ca>

⁴ Canadian Securities Administrators. (2025). "CSA updates market on approach to climate-related and diversity-related disclosure projects." News release, April 23, 2025. Available at: <https://www.securities-administrators.ca>

⁵ IFRS Foundation. (2025). "IFRS Sustainability Symposium 2025—Key takeaways." November 2025. Available at: <https://www.ifrs.org/news-and-events/news/2025/11/sustainability-symposium-2025-key-takeaways>

⁶ CDP. (2023). *Canadian Corporate Climate Disclosure Analysis*. Referenced in C.D. Howe Institute briefing, December 2024.

⁷ EY. (2024). *Global Institutional Investor Survey 2024*. December 2024. Available at: https://www.ey.com/en_gl/insights/climate-change-sustainability-services/institutional-investor-survey

Commissions (IOSCO) and international securities regulatory trends. IOSCO has endorsed the ISSB standards as the global baseline for sustainability disclosure;

- **Conduct Systematic Compliance Reviews:** Systematic reviews are particularly important to ensure issuers understand that securities law obligations remain in effect regardless of federal Competition Act provisions. This supports Strategic Goal 3 (dynamically right-sizing regulation informed by changing needs, risks and practices in Ontario and globally) by ensuring regulation remains responsive to evolving material risks;
- **Address Safe Harbour and Liability Concerns:** Absence of clear guidance on safe harbour provisions and civil liability protections may be contributing to reduced disclosure. Clear regulatory guidance in this area would help alleviate those concerns while maintaining appropriate accountability for misrepresentations. In December 2025, the Alberta Securities Commission announced legislative amendments enabling it to extend safe harbour provisions to climate-related disclosures, recognizing that issuers making voluntary disclosures should not face disproportionate liability for good-faith efforts to communicate environmental goals and progress. Coordinated approaches across CSA members on this issue would prevent fragmentation and support consistent disclosure practices across Canadian markets; and
- **Support CSSB Implementation:** Establish and communicate clear expectations and timelines for the adoption of Canadian Sustainability Standards Board (CSSB) standards to provide regulatory certainty and support Strategic Goal 6 by strengthening Canada's alignment with IOSCO recommendations.

CSSB STANDARDS ADOPTION

Beyond addressing current disclosure challenges, Canada needs a clear pathway toward consistent, high-quality sustainability reporting. The International Sustainability Standards Board (ISSB) published International Financial Reporting Standards (IFRS) S1 and S2 in 2023. In December 2024, the CSSB released Canadian Sustainability Disclosure Standard (CSDS) 1 and CSDS 2, based on the ISSB standards with Canadian-specific adjustments.

Despite the CSA's April 2025 decision to pause work on mandatory climate-related disclosure rules, the OSC's active participation remains essential for eventual implementation. OSC's engagement with CSSB standards adoption would strengthen Canada's alignment with IOSCO priorities and enhance the OSC's influence within the international regulatory community, directly supporting Strategic Goal 6. As such, we recommend that the OSC:

- **Actively participate in standards development:** Engage with CSSB consultations, providing technical input informed by supervisory experience;
- **Establish a clear adoption timeline:** Work with the CSA to establish expectations for when standards will become mandatory, providing sufficient lead time while maintaining momentum
- **Coordinate across provinces:** Use the CSA framework to ensure harmonized implementation and avoiding fragmentation that increases compliance costs; and
- **Provide implementation guidance:** Develop practical guidance for issuers on voluntarily integrating CSSB standards with existing continuous disclosure obligations.

OTHER OBSERVATIONS

Beyond climate disclosure, we offer brief comments on two other areas within the Statement of Priorities.

Diversity Disclosure

We note the OSC is actively monitoring diversity disclosure developments. BCI strongly supports comprehensive diversity disclosure as a critical component of good corporate governance. As we stated in our [September 2023 submission to the CSA consultation](#), diverse boards and executive teams introduce broader perspectives, skills, and experience.⁸

We encourage continued progress toward resolving the CSA diversity disclosure consultation, where BCI advocated for standardized, comparable disclosures. We also encourage the OSC to reinstate its annual review and publication of Disclosure Regarding Women on Boards and in Executive Officer Positions. This provided valuable market transparency that previously enabled investors to benchmark progress over time.

Truth and Reconciliation Action Plan

We commend the OSC for publishing its draft Action Plan for Truth and Reconciliation in July 2025 and support implementation of the commitments highlighted. We note that the CSSB is also undertaking work in this area, and we encourage continued collaboration between the OSC and CSSB on this important matter.

Conclusion

We appreciate the OSC's commitment to assessing climate-related disclosure compliance, deepening understanding of current practices, and implementing the Truth and Reconciliation Action Plan. As global markets converge around ISSB-aligned standards and Canadian issuers compete for capital allocation, regulatory clarity on climate disclosure will directly support the OSC's strategic objectives around competitiveness and capital formation.

Therefore, we recommend:

1. Elevating climate disclosure work to one of the six stated key priorities;
2. Conducting systematic compliance reviews;
3. Addressing safe harbour and liability concerns through clear guidance;
4. Establishing expectations for CSSB standards adoption; and
5. Continuing progress on diversity disclosure requirements.

We would welcome the opportunity to discuss this submission further or to provide technical briefings on investor data needs, market impacts, and disclosure practices as you develop your 2026-2027 work

⁸ BCI. (2023). "Re: Proposed Amendments to Form 58-101F1 Corporate Governance Disclosure and National Policy 58-201 Corporate Governance Guidelines." Submission to Canadian Securities Administrators, September 27, 2023.

plan. For questions or to arrange a meeting, please contact Susan Golyak, Director of ESG, at susan.golyak@bci.ca.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jennifer Coulson".

Jennifer Coulson
Senior Managing Director and Global Head, ESG

CC:

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