



PRINCIPLES FOR
RESPONSIBLE
INVESTMENT

PRI RESPONSE TO REQUEST FOR COMMENT

**Ontario Securities Commission (OSC)'s
Statement of Priorities for 2026-2027**

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An investor initiative in partnership with
UNEP Finance Initiative and UN Global Compact



United Nations
Global Compact



About this consultation

The Ontario Securities Commission (OSC) is [consulting](#) on its **Statement of Priorities for 2026–2027**, which sets out the regulatory goals and key priorities the Commission proposes to pursue in the upcoming fiscal year, consistent with its mandate and the legislation it administers.

The Statement includes **Goal 3: Dynamically right-size regulation informed by changing needs, risks, and practices in Ontario and globally**. Under this goal, one of the proposed priorities is to assess compliance with existing disclosure requirements for material climate-related risks and to deepen the OSC's understanding of current climate-related disclosure practices in Canada. The OSC also notes that it will consider stakeholder feedback on the adequacy of existing safe harbour provisions and other civil liability protections under securities law for climate-related misrepresentations.

The PRI (Principles for Responsible Investment) is the leading organisation in advancing responsible investment globally. Set up with United Nations' support, our unique community contributes to stable financial markets and a more prosperous world for all. We bring together signatories, amplify their voices and provide resources and guidance for complex sustainability challenges. The six Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The PRI develops policy analysis and recommendations based on signatory views and evidence-based policy research. The PRI welcomes the opportunity to respond to the OSC's call for feedback on proposed Statement of Priorities for the fiscal year 2026-2027.

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While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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PRI response

We write to you on behalf of the [UN-Supported Principles for Responsible Investment](#), which holds 5000+ signatories with USD 120 trillion in assets under management. The PRI supports the OSC's intentions, as set out in its [Statement of Priorities for 2026–2027](#), to assess compliance with existing disclosure requirements for material climate-related risks and to deepen its understanding of current climate-related disclosure practices in Canada. The PRI also welcomes the OSC's consideration of stakeholder feedback on safe harbour provisions and other civil liability protections related to climate-related misrepresentation.

The effectiveness of this work will depend on the continued development of clear, issuer-facing guidance. As issuers transition from voluntary frameworks to standards-based reporting, up-to-date guidance plays an important role in supporting consistent interpretation, improving comparability, and reinforcing confidence in disclosed information.

The PRI encourages the OSC to consider the following recommendations:

1. Pair compliance reviews with updated ISSB-aligned issuer guidance

Investors need comparable and high-quality sustainability-related financial information to assess impacts on enterprise value, including cash flows, access to finance, and cost of capital. The ISSB Standards (IFRS S1 and IFRS S2) are designed to provide a global baseline to meet these needs. In Canada, this baseline is reflected through the Canadian Sustainability Standards Board (CSSB)'s Canadian Sustainability Disclosure Standards (CSDS 1 and 2), and the PRI has consistently encouraged jurisdictions to adopt and implement these standards with minimal deviation.

The OSC already has effective levers under [NI 51-102 Continuous Disclosure Obligations](#) and related forms. In the context of the CSA's pause on developing a new mandatory climate disclosure rule, the importance of clear and current guidance under existing securities law requirements is heightened. As issuers respond to evolving expectations across multiple regulatory and supervisory frameworks, clarity and coherence in issuer-facing guidance will be critical. Many Canadian issuers, particularly large, federally regulated financial institutions, are already subject to climate-related guidance issued by the Office of the Superintendent of Financial Institutions (OSFI). Greater alignment, where appropriate, between OSC expectations under securities law and OSFI's supervisory guidance can help reduce duplication, improve consistency in disclosure practices, and support more efficient implementation by issuers. Clarifying how these frameworks interact would also provide greater certainty to investors.

In developing updated guidance, the PRI also encourages the OSC to continue integrating its broader regulatory priorities, including work related to diversity disclosure and the Truth and Reconciliation Action Plan. Clear expectations on how issuers should disclose material human capital, workforce diversity, and Indigenous-related risks, relationships, and commitments, where financially material, would support consistent application of existing securities law requirements and improve the decision-usefulness of disclosures. Taken together, such guidance can help ensure issuers take a more coherent and integrated approach to material sustainability-related risks and opportunities, rather than treating them as siloed or purely narrative considerations.

Against this backdrop, the PRI recommends that the OSC consider publishing updated guidance that:

- **explain how ISSB's IFRS core content areas (governance, strategy, risk management, metrics/targets) can be satisfied through what issuers already file under NI 51-102 (e.g., risk factors, MD&A trends/uncertainties, capital planning, material assumptions); and**



- build on the foundation already set in [OSC Staff Notice 51-716](#) and [CSA Staff Notices 51-333](#) and [51-358](#), with modernized examples and expectations that reflect current market practice and ISSB disclosure structure.

Such guidance could update existing environmental and climate-related notices to reflect ISSB recommendations and evolving market practice.

2. Treat safe harbour and liability protections as an enabler of decision-useful, transition-relevant disclosure, while maintaining strong anti-greenwashing safeguards

The PRI supports the OSC's intention to examine the adequacy of safe harbour and other civil liability protections in the context of climate-related disclosures. Through the CSA's consultation in 2021 on the proposed [NI 51-107 Disclosure of Climate-related Matters](#), regulators received substantial feedback from investors and other market participants on the need for appropriately calibrated liability frameworks to support high-quality climate and transition-related disclosure.

Appropriately calibrated liability frameworks can help support decision-useful disclosure while maintaining safeguards against misleading or unsupported claims. Forward-looking climate information is an important input for many investors in assessing financial risk and capital allocation, particularly in climate-exposed sectors.

The OSC and CSA securities laws provide a well-established framework for forward-looking information (FLI), including statutory secondary-market liability protections and detailed requirements under [NI 51-102](#) for a reasonable basis, disclosure of material assumptions, and meaningful cautionary language. The policy question is therefore not whether to create entirely new climate-specific safe harbours, but whether existing FLI protections are being applied with sufficient clarity and consistency to climate- and transition-related disclosure.

In this context, the PRI encourages the OSC to:

- **apply insights from the NI 51-107 consultation to clarify regulatory expectations for forward-looking climate disclosure.** This should distinguish credible, good-faith statements from misleading or unsupported claims, building on existing CSA and OSC guidance and compliance review practices.
- **clarify how existing FLI safe-harbour provisions apply to climate- and transition-related disclosure.** This includes transition plans, scenario analysis, and emissions targets, by articulating how issuers can rely on current protections when disclosures are made in good faith, are supported by reasonable assumptions, and are accompanied by meaningful cautionary language, consistent with NI 51-102.

3. Clarify and enforce expectations for climate-related uncertainties in financial statements under existing IFRS requirements

Investors have long expressed concern that, in practice, the application of **existing IFRS Accounting Standards does not always result in climate-related risks and uncertainties being clearly or consistently reflected in issuers' financial statements**. As climate-related factors increasingly affect asset values, depreciation, impairment, and provisions such as asset retirement obligations, misalignment between narrative climate disclosures and financial reporting remains a persistent issue.

In this context, **recent illustrative examples published by the International Accounting Standards Board (IASB)** provide timely and practical clarification on how companies should consider climate-related and other uncertainties when preparing financial statements under existing IFRS Accounting



Standards. Recognizing the importance of consistent application of these requirements, the PRI wrote to regulators in four jurisdictions, including Canada, encouraging supervisory authorities to support and reinforce the use of the IASB's guidance.

The PRI encourages the OSC to:

- **in coordination with the CSA, formally welcome the IASB illustrative examples and clarify expectations for their application in Canada.** This includes signalling that issuers are expected to consider climate-related uncertainties where financially material, ensuring consistency between narrative disclosures and financial statements, engaging with auditors to promote consistent interpretation and application; and
- **outline how it will monitor and supervise reporting by climate-exposed issuers and coordinate with other regulators to ensure coherent market guidance,** reinforcing that this is a matter of proper application of existing standards, not the introduction of new regulatory burden.

Taken together, these recommendations are intended to support the OSC's stated objectives of promoting investor protection, market integrity, and confidence in Canadian capital markets, while avoiding unnecessary regulatory duplication or uncertainty.

By pairing compliance reviews with updated ISSB-aligned guidance, clarifying the application of existing liability frameworks to climate- and transition-related disclosure, and reinforcing expectations for the treatment of climate-related uncertainties in financial statements, the OSC can strengthen the quality, comparability, and credibility of climate-related information provided to investors. The PRI appreciates the opportunity to comment on the Statement of Priorities and would welcome continued dialogue with the OSC as this work progresses.

The PRI has experience of contributing to public policy on sustainable finance and responsible investment across multiple markets and stands ready to support the work of the Ontario Securities Commission further to improve climate-related disclosure.

Please send any questions or comments to policy@unpri.org
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