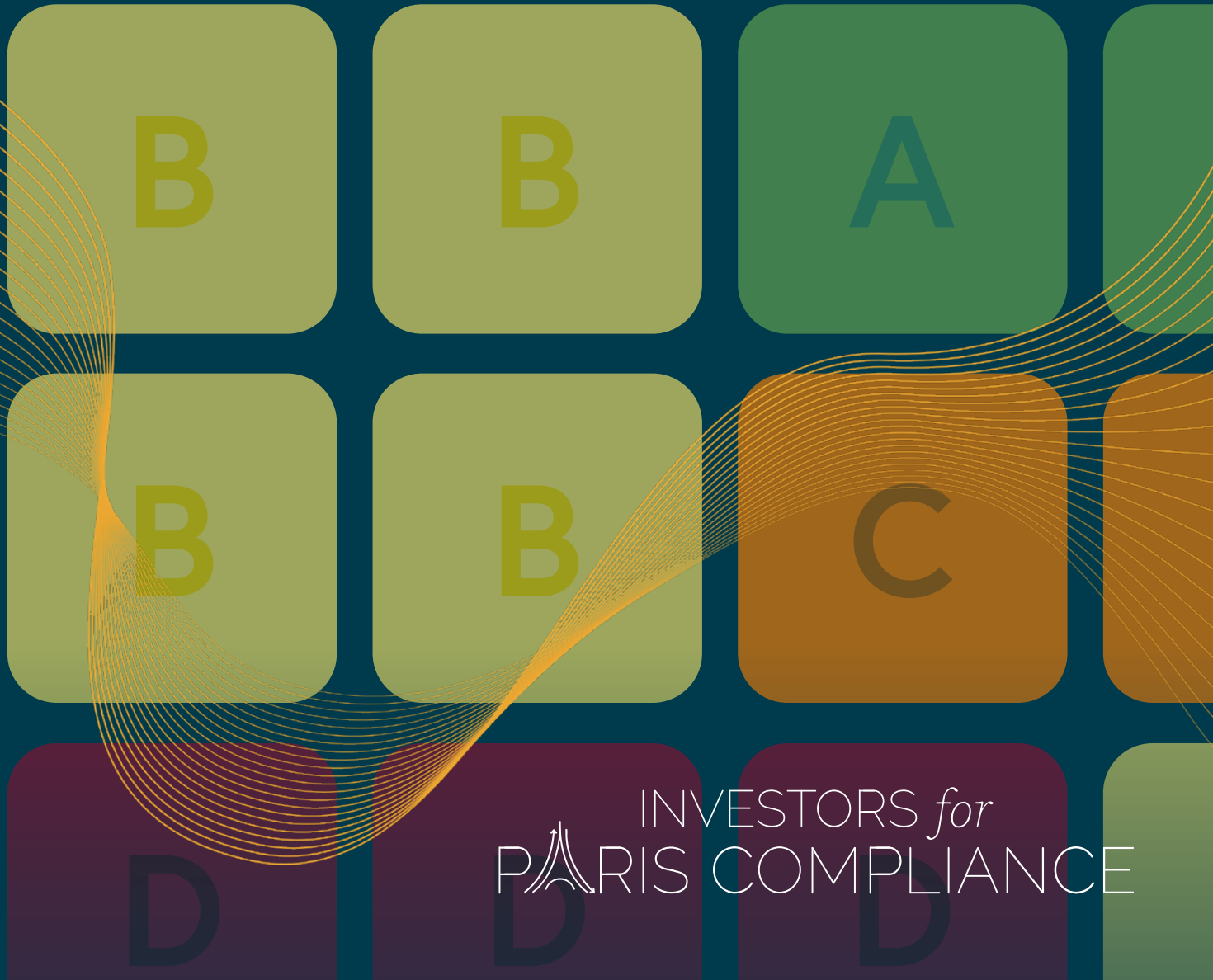


BEHIND THE CURVE

CANADIAN FINANCIAL REGULATORS AND CLIMATE RISK



CONTENTS

Table of Acronyms	3
Preface	4
Executive Summary	5
Part I. Growing Risk and Limits of Voluntary Action	9
Climate-Related Financial Risk Continues to Grow	10
The Limits of Voluntary Action	15
Part II. Canadian Financial Regulator Scorecard	17
The Canadian Regulatory Landscape	18
Methodology	20
The Scorecard and Observations	22
Part III. Individual Regulator Assessments	24
Bank of Canada	25
Office of the Superintendent of Financial Institutions (OSFI)	29
Securities regulation, prudential supervision, and market conduct: Autorité des marchés financiers (AMF)	34
Securities Regulators — OSC, BCSC, ASC	41
Financial Services Regulatory Authority of Ontario (FSRA), BC Financial Services Authority (BCFSA), & Alberta's Regulators	46
Canadian Public Accountability Board (CPAB)	53

DISCLAIMER

Investors for Paris Compliance ('I4PC') does not provide investment advice. The information herein is not intended to provide and does not constitute financial or investment advice. I4PC makes no representation regarding the advisability or suitability of investing or not in any particular financial product, shares, securities, company, investment fund, pension or other vehicle. You should seek independent and regulated advice on whether the decision to invest is appropriate for you. While every effort has been made to ensure that the information is correct, I4PC, its employees and agents cannot guarantee its accuracy and shall not be liable for any claims or losses of any nature in connection with information contained in this document.

CONTACT

Kyra Bell-Pasht

Director of Research and Policy, Investors for Paris Compliance

kyra@investorsforparis.com

ABOUT INVESTORS FOR PARIS COMPLIANCE

Investors for Paris Compliance (I4PC) is a shareholder advocacy organization that works to hold Canadian publicly-listed companies accountable to their net zero commitments.

More information can be found [here](#).

TABLE OF ACRONYMS

AMF	Autorité des marchés financiers	ECB	European Central Bank
APRA	Australian Prudential Regulation Authority	EIOPA	European Insurance and Occupational Pensions Authority
ASC	Alberta Securities Commission	FCAC	Financial Consumer Agency of Canada
ASIC	Australian Securities and Investments Commission	FSRA	Financial Services Regulatory Authority of Ontario
ASFI	Alberta Superintendent of Financial Institutions	GFANZ	Glasgow Financial Alliance for Net Zero
BCFSA	British Columbia Financial Services Authority	I4PC	Investors for Paris Compliance
BCSC	British Columbia Securities Commission	IAASB	International Auditing and Assurance Standards Board
BoC	Bank of Canada	IBC	Insurance Bureau of Canada
BoE	Bank of England	IFRS	International Financial Reporting Standards
CAPSA	Canadian Association of Pension Supervisory Authorities	NCCR	Natural catastrophes and climate-related risks
CIRO	Canadian Investment Regulatory Organization	NGFS	Network for Greening the Financial System
CPA	Chartered professional accountant	OCA	Office of the Chief Actuary
CPAB	Canadian Public Accountability Board	OSC	Ontario Securities Commission
CPPIB	Canada Pension Plan Investment Board	OSFI	Office of the Superintendent of Financial Institutions
CSA	Canadian Securities Administrators	SCSE	Standardized Climate Scenario Exercise
CSSB	Canadian Sustainability Standards Board	TCFD	Task Force on Climate-related Financial Disclosures
CUDGC	Credit Union Deposit Guarantee Corporation	UK FCA	UK Financial Conduct Authority

PREFACE

This is our final report. We are sunsetting Investors for Paris Compliance this summer.

This is a fitting place to leave our work, at the feet of Canada's financial regulators. When we began our work five years ago, it was to bring accountability to the voluntary net zero commitments of Canada's companies via investor pressure. Our broad conclusion is that such commitments are by themselves inadequate to tackle growing climate risk, and that focusing on them, absent regulatory consequences, has yielded only marginal impact relative to the scale of the problem.

Canada is a unique environment to have this conversation. Our current Prime Minister was the person who did the most to sound the initial alarm of existential threat to the financial system. Yet, despite presiding over a country increasingly on fire every summer, he is doubling down on fossil fuel economic exposure, even while renewables and batteries get really cheap and countries want homegrown energy in the name of energy security.

He also set the nature of the regulatory response to climate-related financial risk, positing that better information will lead to correctly pricing the risk, with voluntary actions by the financial sector then fixing the problem.

The result has been a plethora of new disclosure, risk analysis, and governance changes. Yet, little change in actual financing patterns by Canadian financial institutions. And, as a result, a failure to tackle the growing climate risk.

For regulators with system stability as part of their core mandate — which is most of them — this is a major problem, even if they currently fail to fully recognize it. Tens of billions in climate damages are already cascading through our system, causing stress to the insurance industry and to the economically vulnerable. On the other side of the ledger, our banks seem enthusiastic about putting Canadians' capital into new oil pipelines and LNG terminals, not because such projects are supported by enduring economic fundamentals, but because this is what Canadian banks do.

We have tried our best to shine a spotlight on these growing risks through analysis, shareholder resolutions, and communications work. Many in the financial industry are sympathetic, but they are bound by the structures in which they operate, and those are shaped by regulation and incentives. We have concluded that we will not see genuine progress until those regulations and incentives change.

We would like to thank everyone who has supported our work over the past five years, even those who engaged with us as we pushed them to do more. Ultimately, we all need the same thing: a healthy and equitable financial system underpinned by a healthy climate and environment. The question now is whether regulators will act with the urgency and authority that this moment demands.

Matt Price

Executive Director, Investors for Paris Compliance

EXECUTIVE SUMMARY

Canada's financial regulators are confronting a reality articulated by Mark Carney in his 2015 "Tragedy of the Horizon" speech: climate change poses an existential threat to the financial system. Over the past decade, regulators and financial institutions have responded with a flurry of climate-related activity, including disclosure frameworks, climate scenario exercises, financed emissions accounting, and voluntary net zero commitments. Yet a decade in, the key question is unavoidable: is it working?

This report concludes that climate-related financial risk in Canada continues to grow, both because physical climate economic damages continue to grow into the tens of billions, and because Canada is increasing its economic exposure to fossil fuels just as the global energy transition accelerates. Canada's regulatory response remains overwhelmingly focused on disclosure and voluntary action, while more robust tools remain largely unused. The result is a widening gap between the scale of the risk and the scale of the response.

Climate-related financial risk is typically divided into physical risk and transition risk. Physical risk refers to the direct and indirect financial consequences of climate-related disasters such as floods, wildfires, storms, and coastal erosion. Canada is already experiencing these impacts. In 2024, Canada's insurance industry faced a record \$9.2 billion in insured property losses, while combined insured and uninsured losses were estimated at roughly \$13 billion. Home insurance premiums have climbed significantly over the past decade, while insurers are simultaneously reducing coverage and withdrawing from high-risk areas.

These impacts are not isolated to the insurance industry. They transmit through the broader financial system. As insurers retreat from high-risk regions, property values may fall and mortgage collateral becomes impaired. The Office of the Superintendent of Financial Institutions has already warned about the mismatch between one-year insurance policies and 20- to 30-year mortgage terms, creating systemic exposure in Canada's housing market. Yet while regulators have identified these transmission pathways, there remains no comprehensive, system-wide accounting of how far these costs can rise before parts of the system begin to stress and break.

At the same time, transition risk continues to grow. Transition risk refers to the financial disruption associated with the global shift toward lower-carbon energy systems. Canada is uniquely exposed due to its concentration in oil and gas production and finance. Roughly 16% of the value of the Toronto Stock Exchange is tied directly to energy companies, while Canada's banks rank among the world's largest fossil fuel financiers.

This exposure is becoming more dangerous as the economics of the energy transition strengthen. Solar power is already cost competitive with fossil fuels in many markets, while solar plus battery storage is rapidly approaching parity. Electric vehicles have already reached upfront price parity with combustion vehicles in China and are expected to do so in Europe by 2030. Meanwhile, geopolitical instability — including the Iran war — is accelerating the push toward domestically-produced renewable energy as a matter of national security. International Energy Agency Executive Director Fatih Birol summarized this shift clearly: "Their perception of risk and reliability will change. Governments will review their energy strategies. There will be a significant boost to renewables and nuclear power and a further shift towards a more electrified future. And this will cut into the main markets for oil."

Independent analysis confirms Canada's vulnerability. Carbon Tracker estimates that roughly 30% of Canadian oil and gas value is at risk in a rapid transition scenario due to the country's relatively high-cost production and dependence on continued growth. The International Institute for Sustainable Development estimates that as much as 66% of new investments in Canadian oil and gas could become stranded in a rapid transition scenario. Yet rather than flagging this rising transition risk, many Canadian financial leaders are actively promoting further fossil fuel expansion, thereby increasing Canada's exposure and dependence.

The report argues that this reflects the core limitation of the current regulatory model. Following Carney's diagnosis, regulators largely adopted a disclosure-only approach built on the assumption that better information would allow markets to voluntarily price climate risk correctly. This led to the rise of voluntary net zero alliances such as the Glasgow Financial Alliance for Net Zero, financed emissions accounting, climate scenario analysis, and disclosure frameworks such as OSFI's Guideline B-15.

But after years of voluntary commitments, the limitations are increasingly evident. Canadian financial institutions continue to maintain large exposures to fossil fuel assets. Many exempt significant portions of their business from net zero commitments. Several have weakened or abandoned commitments altogether. Meanwhile, implementation pathways remain vague or non-existent. The report argues that financial risk concerns not just the "tragedy of the horizon," but the "tragedy of the commons": institutions are unwilling to forego carbon-intensive business because competitors would simply capture the market instead. This phenomenon — often referred to as "credit substitution" — exposes the limits of voluntary action without coordinated regulatory intervention across the financial sector and real economy.

Against this backdrop, the report evaluates the performance of Canada's major financial regulators using a four-part framework: mandate recognition, climate risk disclosure, use of tools beyond disclosure, and transparency. The results reveal a fragmented and uneven response. The following table summarizes the climate-related activity and gaps of the major financial regulators across Canada at both the federal and provincial level, assigning grades from green to yellow to orange to red.



BoC	Bank of Canada	BCSC	British Columbia Securities Commission	 substantial action  moderate action  minimal action  little to no alignment
OSFI	Office of the Superintendent of Financial Institutions	BCFSA	British Columbia Financial Services Authority	
AMF	Autorité des marchés financiers	FSRA	Financial Services Regulatory Authority of Ontario	
OSC	Ontario Securities Commission	ASFI	Alberta Superintendent of Financial Institutions	
ASC	Alberta Securities Commission	CPAB	Canadian Public Accountability Board	

Overall, the analysis finds that the Canadian regulatory response remains concentrated almost entirely around disclosure and climate-risk research. On the prudential side, OSFI and Quebec's AMF have led implementation of climate-risk disclosure expectations for banks and insurers. However, neither regulator has yet translated climate risk into explicit capital requirements, mandatory public-facing transition plans, or transparent enforcement.

Meanwhile, major gaps persist elsewhere. Securities regulators have paused efforts to implement standardized economy-wide climate disclosure rules and have been slow to police greenwashing despite acknowledging widespread concerns. Provincial market conduct regulators — despite overseeing sectors directly exposed to rising climate damages and insurance affordability pressures — have largely failed to integrate climate risk into their mandates. Canada's audit oversight body acknowledges the importance of climate risk but has yet to operationalize expectations in a meaningful way.

The report concludes that Canadian regulators are still operating within the original disclosure-only framework articulated in the "Tragedy of the Horizon" speech. Yet climate-related financial risk continues to rise. Other tools in the regulatory toolbox — including capital requirements, collateral frameworks, market conduct regulation, transition planning requirements, supervisory enforcement, and systemic affordability assessments — remain largely unused.

Climate risk is no longer a peripheral or future issue for Canada's financial system. It is already reshaping insurance markets, housing affordability, capital allocation, and long-term economic stability. Regulators have increasingly recognized the problem, but recognition alone is no longer sufficient. The central challenge for Canada's financial regulators is no longer whether climate risk exists, but whether they are prepared to move beyond disclosure and voluntary action toward actively managing it.

PART I.

GROWING RISK AND LIMITS OF VOLUNTARY ACTION



In 2015, while serving as the Governor of the Bank of England, Mark Carney delivered a speech titled "Tragedy of the Horizon" in which he identified the existential threat that climate change poses to the financial system. While it might seem obvious that the financial system is subject to the same laws of chemistry and physics as the rest of society, this was the first time that a major establishment figure had sounded the alarm.

Since that time, there has been a flurry of activity by both financial regulators and financial institutions themselves to measure climate risk and to attempt to integrate climate risk management into day-to-day operations. This has included Canada, with regulators such as the Office of the Superintendent of Financial Institutions (OSFI) developing disclosure guidance, and dozens of major Canadian financial institutions setting net zero targets.

A decade in, now is a good time to ask the key question: Is it working? Have the measures taken by Canadian financial regulators either helped reverse the growing climate financial risk, or put us on a pathway to do so? If not, what should be done?

CLIMATE-RELATED FINANCIAL RISK CONTINUES TO GROW

Unfortunately, climate-related financial risk continues to grow, both in lockstep with the worsening climate crisis itself, as well as with the failure to set the Canadian economy on a pathway consistent with the emerging energy transition. Indeed, Canada is heading in the opposite direction. The result is growing systemic danger, including litigation risk, for Canada's financial system, without a viable plan to turn this around.



PHYSICAL RISK

Climate-related financial risk is usually broken out into physical risk and transition risk. Physical risk concerns the impacts of climate-related weather events, including acute disasters, on the financial system. An example of a direct physical climate risk impact on the financial system is how more frequent and intense floods, forest fires, and accelerating coastal erosion cause insurance claims to rise. A second order impact would include how repeated insurance losses in high-risk regions lead insurers to withdraw coverage or raise premiums dramatically, leaving property owners under- or uninsured, reducing asset values, and ultimately impairing the collateral held by banks and other lenders.

Assessing physical risk to the finance system begins with the work of climate scientists such as those contributing to the Intergovernmental Panel on Climate Change.¹ That work is then translated into economic and financial terms by actuaries, economists, financial analysts, and others. Best practices in climate risk management rely on qualitative scenario analysis to complement quantified climate risk financial modelling. Both approaches should include climate extremes as well as direct and second and third order impacts, as proposed by experts such as those at the UK Institute and Faculty of Actuaries which found that at three degrees Celsius of warming, in an extreme scenario, global economies could see greater than than 50% losses of GDP.²

Canada does not need to wait for future projections to experience physical risk. In 2024 Canada's insurance industry faced a record \$9.2 billion in property insurance claims. Experts estimate uninsured losses can reach 2-3x insured losses, with the Institute for Catastrophic Loss estimating ~\$13 billion in combined losses for 2024.³ Home insurance premiums have climbed an average of three quarters over the past decade for all Canadians, with regional spikes in disaster-hit areas.⁴ Swiss Re projects a 5-7% annual rise in premiums claims due to climate damages — after inflation — which results in the following projected graph for Canada for annual losses of \$100 billion by 2050:⁵

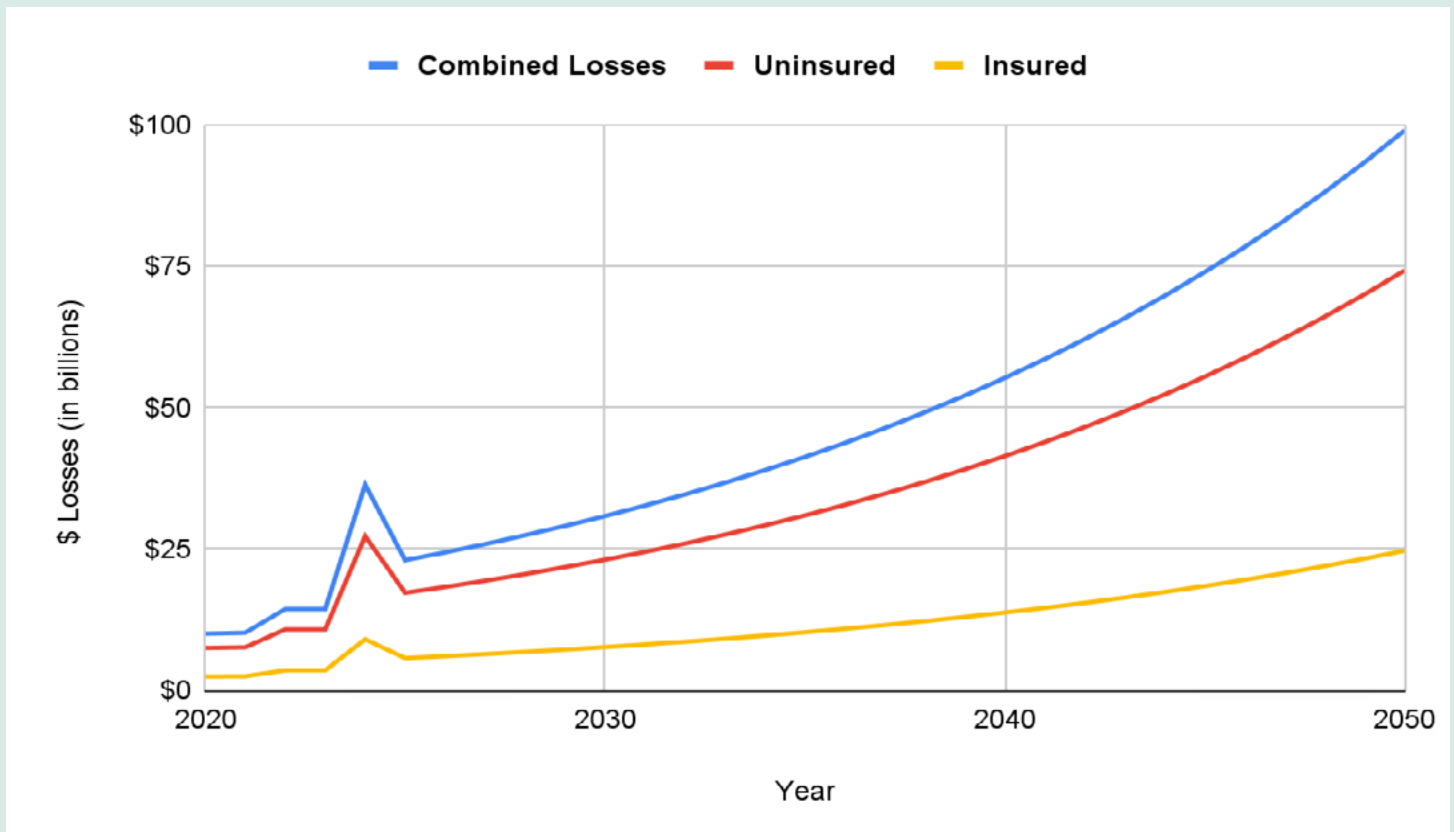


FIGURE 1. PROJECTED INSURED AND UNINSURED LOSSES BY 2050.
(SOURCE: INVESTORS FOR PARIS COMPLIANCE, WHO PAYS?)⁶

As physical climate damages mount from billions into tens of billions each year in Canada, there is a question of where those costs fall and what the implications are for financial system stability. To date, most of the costs have been passed through to Canadian consumers and taxpayers in the form of higher insurance premiums, reduced coverage, and disaster management expenditures by all levels of government. There is, however, no comprehensive, system-wide accounting of physical risks by Canadian financial regulators and, critically, any analysis of whether even higher costs can be similarly absorbed before systems begin to stress and break.

For example, Canada's home insurance industry sustained an average combined loss ratio of 101% for 2023 and 2024, meaning it lost money, while also reducing coverage and pulling out of some areas.⁷ The Insurance Bureau of Canada has warned that Canada could become "uninsurable" without massive public expenditures on adaptation.⁸

Meanwhile, OSFI has noted the mismatch between one year insurance policies and 20- to 30-year mortgage terms whereby mortgage lenders may find themselves on the hook for climate damages with insurance withdrawals, thereby leading to potential financial contagion in Canada's largest asset class, real estate.⁹ In sum, physical risk is growing in Canada's financial sector, with transmission pathways identified, but no response by regulators to tackle this risk.

TRANSITION RISK

Transition risk is the risk to the financial system posed by retooling the economy to lower-carbon industries — whether as a result of technological innovation, consumer demand, regulation, etc. — thereby posing financial hardships to current carbon-intensive businesses and those that depend on them, including investors.

As a major oil and gas producer, Canada is highly exposed to transition risk. About 16% of the value of the Toronto Stock Exchange is made up of energy companies, with about 30% made up of financial companies which are in turn greatly exposed to fossil fuel assets. For example, Canada's big five banks all rank in the top 20 global financiers of fossil fuels, with two of them in the top ten.¹⁰

Transition risk continues to rise due to the disconnect between the falling price of fossil energy alternatives and the Canadian policy response to geopolitical uncertainties, which is to promote further domestic fossil fuel expansion, thereby increasing dependency and transition risk exposure.

Even before the Iran war, the International Energy Agency was already projecting global oil demand peaking by 2030.¹¹ With the Iran shock, it is projecting a reduction of up to a million barrels a day between prior predictions of growth vs. the current contraction.¹²

The Iran war will accelerate the energy transition, with countries now viewing fossil fuel dependency as a security issue.¹³ Electric vehicle sales have already spiked by half in the EU,¹⁴ and at least one LNG project in Vietnam was switched to renewable energy instead.¹⁵

"Their perception of risk and reliability will change. Governments will review their energy strategies. There will be a significant boost to renewables and nuclear power and a further shift towards a more electrified future. And this will cut into the main markets for oil."

— Fatih Birol, Executive Director, International Energy Agency¹⁶

Geopolitics aside, the following graph encapsulates why the energy transition will increasingly displace Canadian fossil fuel exports. Not only is the upfront cost of solar already cost competitive with fossil fuels, but solar plus battery storage will soon be there too. Note that this concerns upfront costs; there is the added ongoing costs to purchase fossil fuels, but not for solar. The choice between them is obvious for the energy-importing countries Canada currently relies on.



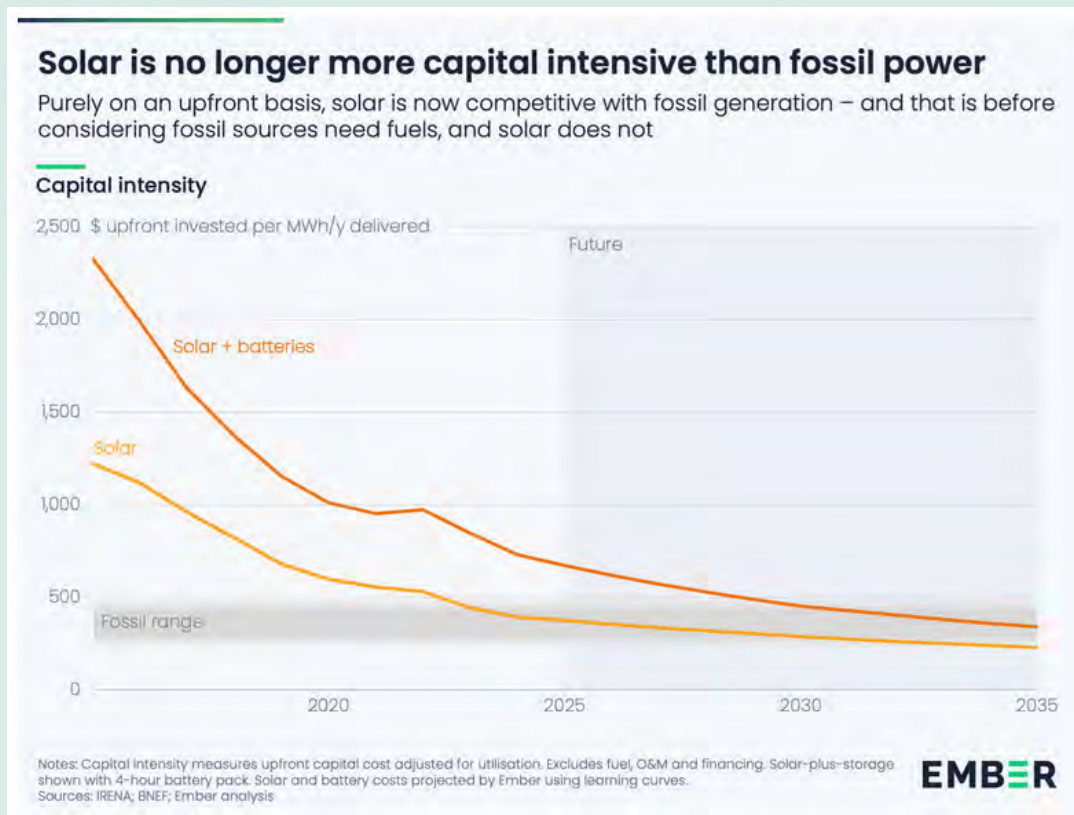


FIGURE 2. CAPITAL INTENSITY OF SOLAR AND SOLAR AND BATTERIES, 2010-2035. (SOURCE: EMBER, *THE ELECTRIC FAST-TRACK FOR EMERGING MARKETS* (APRIL 2026).)

Electric vehicles have already reached upfront price parity with combustion vehicles in China,¹⁷ and are on track to do so in the EU by 2030.¹⁸ Globally, purchase price parity will be achieved before any new Canadian oil pipelines come on stream. Oil-based vehicles will have lost the cost battle forever.

Independent analysis confirms Canada's exposure. Carbon Tracker estimates that about 30% of Canadian oil and gas value is at risk in a fast transition scenario due to Canada's relatively high cost production and its reliance on continued production growth.¹⁹ The International Institute for Sustainable Development estimates that as much as 66% of new investments in Canadian oil and gas may become stranded in a rapid transition scenario, with even low-transition scenarios seeing reduced returns.²⁰ And, as the runway for oil and gas shortens, the liabilities clean-up bill finally comes due, amounting to tens of billions of dollars.²¹

Rather than flag this growing transition risk to the economy, Canadian financial leaders have been vocally promoting oil and gas expansion, thereby making it worse.²² This begins to expose the limits of voluntary action in the financial sector.

- Finally, despite supposedly being committed to net zero, several of Canada's most prominent financial leaders are calling publicly for domestic fossil fuel expansion,³¹ in direct contradiction to credible net zero models.³² There are almost no prominent countervailing voices in the sector.

This is not to say there is no progress. Some financial institutions have been reducing their exposure to climate transition risk (e.g., La Caisse, BMO) and/or increasing their financing of renewables and other climate solutions (e.g., National Bank). Unfortunately, these are a minority.

The limitations of voluntary action based on a disclosure-only regulatory response should come as no surprise. Bodies such as the International Monetary Fund and the Organization for Economic Co-operation and Development have emphasized the necessary role of incentives to achieve success.³³ They also highlight the necessity of complementary government policy and coordination.

Finally, in our engagements with Canadian financial institutions we repeatedly encounter not the tragedy of the horizon, but the tragedy of the commons. That is, a financial institution is unlikely to forego a transaction with a carbon-intensive company, even if they know it's damaging to their long-term interests, since their competitors would do it instead. This is sometimes called "credit substitution" in the literature.³⁴

Overall, with climate risk in Canada rising rather than diminishing and voluntary actions by financial institutions exposed as inadequate, Canadian regulators must reconsider their disclosure-only response if they are to uphold their mandate for system stability. Indeed, as the following analysis demonstrates, some regulators have yet to begin taking their first step.

PART II.

CANADIAN FINANCIAL REGULATOR SCORECARD

THE CANADIAN REGULATORY LANDSCAPE

Canada's financial system is subject to a patchwork of regulation at the federal and provincial levels, with dozens of regulators involved. Despite the fact that climate risk poses an existential threat to the whole system, few of these regulators are yet to take significant action.

It is important to acknowledge that no institution in the Canadian financial regulatory landscape has been explicitly given the job of tackling climate risk. Elected officials have not yet updated the official mandates of Canada's financial regulators to recognize and tackle it, contributing to overall inertia. Indeed, the Government of Alberta recently intervened to protect companies registered there from climate-related securities scrutiny.³⁵

Yet, explicit climate mandates or not, climate risk relates to each of Canada's various financial system regulators' existing roles, as summarized in the following table.

Note that specific regulators appear in various categories, reflecting their broader mandates. Note also that the goal of system stability that many regulators share is increasingly stressed by climate risk, somewhat erasing the boundaries between the categories.

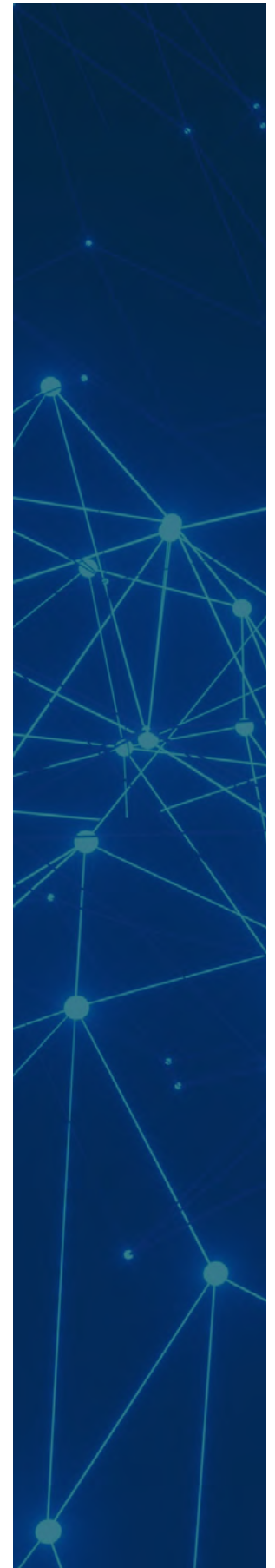
TABLE 1. CATEGORIES OF CANADIAN FINANCIAL SYSTEM REGULATORS, THEIR MANDATE, AND THEIR RELATION TO CLIMATE RISK.

CATEGORY OF FINANCIAL SYSTEM REGULATOR	MANDATE	CANADIAN REGULATOR(S)	RELATION TO CLIMATE RISK
Macroprudential	Oversight of system-wide financial stability and correlated risks across institutions and markets	Bank of Canada, OSFI	Climate change presents systemic risk through correlated physical and/or transition shocks, e.g., insurance market stress or sectoral asset devaluation. They are regulating to ensure the financial system's stability by ensuring resilience to potential disorderly climate shocks that affect multiple major financial institutions balance sheets simultaneously.
Microprudential	Supervision of individual financial institutions to ensure their safety and soundness	OSFI, provincial regulators that oversee provincially incorporated or licensed financial institutions (e.g., AMF, FSRA, BCFSa, etc.), CIRO for investment firms	Climate risks affect firm-level balance sheets via physical losses and transition risks.
Securities oversight & investor protection	Investor protection across financial products and capital markets via the policing of market behavior and disclosure	Provincial securities regulators like OSC, AMF, BCSC, ASC; CIRO for trading integrity	Climate risk to investors may result from disclosure gaps leading to mispricing. Issues include inadequate or inconsistent climate disclosure and greenwashing
Market conduct supervision (i.e. consumer protection)	Consumer protection across financial products and capital markets via the policing of market behavior and disclosure	FCAC, provincial market conduct bodies like FSRA, AMF, BCFSa, ASFI; Competition Bureau, CIRO for retail products	Climate risk to consumers may result from disclosure gaps leading to consumer misinformation. Issues include inadequate or inconsistent climate disclosure, greenwashing, and lack of transparency in insurance coverage and pricing.
Professional accountability	Oversight of the standards, conduct, and liability of professionals who measure, audit, and advise on financial risks	CPAB, CPA Canada, CPA provincial and regional accounting bodies, Canadian Institute of Actuaries, provincial law societies	Climate risk is mediated through how it is measured, priced, and disclosed. Accountants and auditors determine the integrity of disclosures; actuaries embed climate assumptions into pricing and valuations; lawyers shape fiduciary duties and liability.

METHODOLOGY

The following table scores key Canadian financial regulators on their climate risk management activities. We interpret climate risk management to include both the management of climate-related risks to financial institutions, and actions to reduce the financial sector's own contribution to climate change — a double materiality approach.³⁶ We also apply a precautionary approach to our assessment, evaluating whether regulators are acting proportionately under uncertainty rather than deferring action until climate risks are fully quantified.³⁷ Our climate risk assessment uses the following four-part framework:

1. **Mandate recognition** assesses whether the regulator has acknowledged the materiality of climate risk on its mandate (explicitly or implicitly), including whether it has taken steps to assess those risks. It is worth noting that while no Canadian regulators have yet received an explicit mandate to consider climate change, some have in other countries, including the EU and Australia.³⁸ Furthermore, a comprehensive assessment of climate risk requires climate modelling best practices, such as the ones described in *Recalibrating Climate Risk*, published by the University of Exeter and Carbon Tracker in early 2026.³⁹
2. **Climate disclosure regulation** assesses whether the regulator requires the entities that it regulates to publicly disclose material climate risks. Public disclosure enables markets to better incorporate these risks into pricing, though, given the radical uncertainty inherent in climate-related risks, full pricing is not possible. This may take the form of climate-specific disclosure requirements, or guidance clarifying how climate risk fits within existing disclosure obligations. The extent of the disclosures required may be tailored to the size of the financial institution being regulated (e.g., a major, publicly-listed bank versus a small local credit union). Private disclosure to the regulator for supervisory purposes, without public transparency, represents a minimum prerequisite for prudential oversight of both how institutions are affected by climate change and how they contribute to it. However, for publicly traded companies, it falls short of enabling markets to price climate risk more accurately, or allowing stakeholders to meaningfully engage in climate risk regulation consultations.
3. **Use of other tools** assesses whether the regulator is deploying the tools at its disposal, beyond disclosure, to manage climate risk. The tools available to each regulator depend on its mandate as well as the type and scope of financial activity it regulates. With these limitations in mind, we assess whether the regulator requires action in addition to information, such as monetary policy and financial regulation policy, and/or whether it enforces existing climate-related rules.
4. **Transparency** assesses the degree to which the regulator is open with the market and the public regarding its climate-related activities, and in hearing from stakeholders about how to assess and manage climate risk. This is essential for both accountability and to signal to the market that the regulator is meeting its mandate.



The rating employs a four-point scale: green, yellow, orange, and red. Green represents substantial action; yellow represents moderate action; orange represents minimal action; and red represents little to no alignment.



REGULATOR OMISSIONS EXPLAINED

- **The Competition Bureau** is omitted to place the focus on financial institution- and system-specific regulators, namely securities regulators who are also supposed to be policing greenwashing. Although the Competition Bureau's mandate relates broadly to economy-wide competition and consumer protection, it is securities regulators who more properly have mandates related to financial sector risk.
- **Professional conduct agencies** are omitted due to lack of capacity. Bodies such as CPA Canada, CPA provincial and regional accounting bodies, the Canadian Institute of Actuaries, and provincial law societies should indeed be evaluated for their integration of climate risk, but I4PC lacks a history evaluating those agencies.
- Similarly, neither the **Financial Consumer Agency of Canada** nor the **Canadian Investment Regulatory Organization (CIRO)** are included due to lack of I4PC history with the retail investing side of the market.
- **Provincial insurance intermediary regulators**, such as the BC Insurance Council, are omitted due to lack of capacity, though it is acknowledged that these intermediaries often interface with insurance customers and have a role in ensuring consumers are aware of product features and climate risks.
- Pension plan regulation for federal public sector plans via the **Treasury Board Secretariat** and within Quebec via **Retraite Quebec** are also omitted due to lack of I4PC history with pension regulation.

THE SCORECARD AND OBSERVATIONS

The following table summarizes the climate-related management activity and gaps of the major financial regulators across Canada at both the federal and provincial level. The detailed assessments can be found in the following section.

TABLE 2. MAJOR CANADIAN FINANCIAL SYSTEM REGULATOR CLIMATE RISK MANAGEMENT SCORECARD.

	BOC	OSFI	AMF	OSC	ASC	BCSC	BCFSA	FSRA	ASFI	CPAB
Mandate recognition	Yellow	Yellow	Green	Green	Yellow	Yellow	Green	Orange	Orange	Green
Climate risk disclosure	n/a	Yellow	Yellow	Orange	Orange	Orange	Orange	Red	Red	Orange
Use of other tools	Red	Red	Orange	Yellow	Orange	Red	Red	Red	Red	Red
Transparency	Orange	Yellow	Yellow	Yellow	Yellow	Orange	Yellow	Red	Red	Yellow

The results point towards a concentration of Canadian regulatory response focused on climate-related risk research and disclosures from financial institutions in the name of prudential supervision, with gaps everywhere else.

On the macroeconomic front, the Bank of Canada has acknowledged climate risk, but thus far limited its activity to some analysis, including participating with OSFI in a climate scenario analysis pilot.

In terms of prudential oversight, OSFI and the AMF have led the way in implementing climate risk disclosure guidance for financial institutions, with some other provincial agencies like the BCFSA developing comparable guidance for financial institutions in their provinces. This guidance includes financed emissions disclosures and risk management provisions, with a varied timeline for institutional compliance. In the case of public-facing transition planning, no timeline or standards are provided. Public reporting of regulatory climate risk disclosure is limited even though many of the financial institutions involved are already reporting this information voluntarily. Pensions are notably missing.

Securities regulators have lagged behind in extending climate disclosures economy-wide, having paused the adoption of Canadian Sustainability Standards Board standards. They have also lagged on policing greenwashing despite positing that this kind of misrepresentation is already prohibited by current securities law and

that there is cause for concern. The federal Competition Bureau has somewhat stepped into this vacuum, with some controversy, yet also failing to rectify greenwashing hotspots such as Canadian oil and gas company disclosures.

Market conduct authorities have similarly lagged on integrating climate risk into their work despite the growing physical risk exposure of insurance companies that they regulate. There is ongoing cross-jurisdictional work through the Canadian Council of Insurance Regulators and the Canadian Insurance Services Regulatory Organizations on consumer awareness and climate-related risks in insurance markets. However, the BCFSa is the only Canadian market conduct body to issue a report on how extreme weather impacts its mandate, and is yet to follow that up with specific action. Meanwhile, due to lack of disclosure, insurance policy holders, mortgage issuers, and policy makers are largely in the dark regarding how physical risk is roiling insurance markets.

With regards to professional accountability, many relevant associations fell outside the scope of this report, but with regards to audit practices, the Canadian Public Accountability Board acknowledges the role of climate risk, but is yet to follow that up with concrete actions. As a result, actual independent audits of Canadian companies remain largely devoid of climate risk analysis, with billions of valuations at stake, particularly in the oil and gas sector.

Overall, if regulators are acting at all — and some remain at the starting line — they are implicitly upholding the disclosure-only diagnosis and approach first articulated by Carney in his "Tragedy" speech. Other tools in the regulatory toolbox remain unused while climate-related financial risk continues to grow.

For a more detailed analysis of each regulator, including examples of better practices, see the next section.

PART III.

INDIVIDUAL REGULATOR ASSESSMENTS

A photograph of the Bank of Canada building, a large, modern structure with a prominent glass facade and a central section with a lighter, stone-like exterior. The building is set against a clear sky. The image is partially obscured by a dark blue horizontal bar at the bottom, which contains the text 'BANK OF CANADA' in white.

BANK OF CANADA

MANDATE AND RELATION TO CLIMATE RISK

Since the 2017 founding of the Network for Greening the Financial System (NGFS) central banks have increasingly recognized that climate change and the global transition to a low-carbon economy can materially affect inflation dynamics, financial stability, and the resilience of the broader economy. In 2019, the Bank of Canada (BoC) joined the NGFS. The Governor of the BoC has acknowledged the importance of understanding the direct consequences of climate change for its core mandate: maintaining price stability and promoting the stability of the financial system.⁴⁰

The BoC manages a significant balance sheet which it uses to fulfill its mandate. It can apply monetary policy tools to how it manages these assets to influence climate risk in the economy, these include:

- Defining the amount and kind of assets it will accept as collateral for bank lending facilities ("collateral policy"),
- Defining the types of assets it is willing to purchase to stimulate the economy ("quantitative easing"), and
- Developing preferential lending schemes.⁴¹

The BoC also publishes influential reports about the state of the economy. Finally, the BoC's pension also represents an opportunity to model how to manage climate risk.

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

The Bank of Canada has a range of tools available to better integrate climate risk management into its mandate, including:

- **Advancing climate risk modelling and research.** The BoC produces influential economic research, and so it's important that its climate risk-related research applies best practices, this includes:
 - Building on its initial analysis of climate-related inflationary pressure to explore the potential for innovative approaches to mitigate this risk going forward,⁴²
 - Placing greater emphasis on extremes rather than averages; accounting for compounding effects, tail risks, and systemic vulnerability; and,
 - Exploring a range of plausible outcomes rather than single trajectories.⁴³

In addition, the BoC could regularly report on systemic climate risk as the Bank of England (BoE) does in its bi-annual Financial Stability Report.⁴⁴

- **Climate risk disclosure of the central bank's balance sheet and pension.** Central bank balance sheets are sizable and can be influential to the broader economy. As of April 22, 2026, the BoC had about \$220 billion in assets on its balance sheet, although this can vary significantly.⁴⁵ Though mostly held in government bonds, a small but important share is held as securities purchased under resale agreements.⁴⁶ The BoC retains some discretion regarding this collateralized short-term lending. The BoC's pension fund was valued at \$2.5 billion, as of December 2025.⁴⁷

Climate-risk disclosure includes reporting all material financed emissions as well as likely financial impacts from future climate scenarios. This disclosure would be useful as a signal that climate change must be addressed on a bigger, whole-government level. Central banks can lead on this, where individual financial institutions often can't. The European Central Bank (ECB)⁴⁸ and the BoE⁴⁹ have both published climate-related financial disclosures, including discussion of portfolio exposures and transition risks.

- **Adjusting collateral frameworks to reflect climate risk.** Central banks can incorporate climate risk into their policies about what and how much of an asset they are willing to hold as collateral for bank loans — potentially offering a modest lever to manage climate-related financial risk exposure. The ECB has adjusted its collateral framework by reducing the value assigned to climate-exposed assets (i.e., applying a "collateral haircut") and limiting exposure to carbon-intensive assets, thereby integrating climate risk into liquidity provisions.⁵⁰ This may have been influenced by stakeholder feedback to its 2020 Strategy Review.⁵¹

- **Tilting asset purchase programmes.** When purchasing corporate bonds to stimulate the economy, central banks can incorporate climate considerations. The ECB⁵² and the BoE⁵³ have both tilted their corporate bond portfolios to favour issuers with stronger climate performance, aligning asset purchases with transition objectives. The BoE adjusted its Corporate Bond Purchase Scheme to reflect issuers' climate disclosures and emissions intensity⁵⁴ following a public consultation.⁵⁵
- **Green refinancing schemes.** The BoC could explore whether guidance or expectations around preferential financing terms for green activities falls within its prudential mandate, and if so, how such an approach might be designed. While BoC has traditionally not enlisted credit allocation as an available policy tool, there is a growing body of evidence that green lending schemes, which offer lower interest rates on loans financing environmentally friendly activities, can correct market failures whereby climate-damaging activities are underpriced, leading to chronic underinvestment in low-carbon alternatives.⁵⁶
- **Setting a pension plan net zero target and transition plan.** A central bank's staff pension plan presents an important opportunity to role model climate risk management, first by setting decarbonization targets, then by outlining a strategy to achieve those targets, finally, by reporting progress against its targets. The ECB provides a good example of what this looks like in practice, including reporting its scope 3 financed emissions and its share of fossil fuel to alternative energy investments.⁵⁷

EVALUATION TABLE

MANDATE CLIMATE RISK RECOGNITION?

In 2025, the Governor of the BoC explained how climate change has direct consequences for both price stability and financial system stability. And, even though "we don't set climate policy, and we don't have a formal climate change mandate" the Bank seeks to "...understand how risks around climate change could affect our economy and financial system."⁵⁸

The BoC plays a central role as a hub for research on systemic risks to the Canadian economy. It does not regularly report on climate risk, but since 2019, it has published well over a dozen reports on the economic impacts of climate change. Its largest-scale climate risk assessment was conducted jointly with OSFI in 2021–2022, assessing the potential first-order financial impacts of various climate transition scenarios.⁵⁹ It is also a member of NGFS.

In terms of its own balance sheet and pension, the BoC began disclosing its own climate-related risks in 2023.⁶⁰ This reporting notably misses scope 3 financed emissions, which represent the most significant source of climate-related financial risk exposure.

CLIMATE RISK DISCLOSURE

N/A The BoC does not regulate other entities to be able to ask for disclosure.

BEYOND DISCLOSURE

The Bank has yet to deploy several tools that could help price climate risk into the broader economy. It could:

- Apply a climate risk filter to the approximately 15% of its balance sheet (about \$34.6 billion) consisting of collateral pledged by banks for short-term loans, affecting both eligibility and valuation;
- Incorporate climate considerations into corporate bond purchase criteria (even though these are only used in periods of stress);
- Explore the potential of deploying green lending schemes; and
- Set a net-zero target and transition strategy for its pension fund.

Its own research highlights that business-as-usual policies risk reinforcing the Canadian economy's carbon-intensive status quo.

TRANSPARENCY

BoC has published over a dozen climate related research publications, including many discussion staff papers circulated to stimulate discussion and critical comment. The BoC has also collaborated with fellow regulator, OSFI, in modelling Canada's financial system transition risk.⁶¹ It also shares research with the international central banking community via the NGFS.

Despite the fact that climate risk has featured prominently in responses to broader surveys, like the 2024 "Business Leaders' Pulse" and "Canadian Survey of Consumer Expectations,"⁶² the BoC has yet to undertake public consultations specifically related to climate risk. Nor does the BoC publish a regular update on systemic climate risk.

OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS (OSFI)

MANDATE AND RELATION TO CLIMATE RISK

OSFI's mandate is to contribute to public confidence in the Canadian financial system by regulating and supervising approximately 400 federally regulated financial institutions — Canada's largest banks, insurance companies, credit unions, trust and loan companies — and 1,200 federally regulated private pension plans.⁶³ As a prudential regulator, it supervises financial institutions to ensure they operate safely, manage risks properly, and maintain sufficient capital. Its main goal is to protect depositors and policyholders, preventing financial institution failures that could cause systemic risk to the economy.⁶⁴

As climate-related financial risks have grown, prudential regulators have increasingly recognized that climate change and the global transition to a low-carbon economy can materially impact the safety and soundness of financial institutions and the broader financial system. Initial efforts to assess these risks, often limited to first-order impacts, have nevertheless demonstrated that climate risk can affect asset values, liabilities, and overall system resilience.

In 2022, OSFI and the Bank of Canada co-published their first quantitative assessment of climate risk to the Canadian economy.⁶⁵ Following this, in 2023 OSFI began supervising climate risks to Canada's financial institutions via public disclosures per Guideline B-15: Climate Risk Management,⁶⁶ and then also via private standardized climate scenario modelling exercise in 2024⁶⁷ and private climate risk returns in 2025.⁶⁸

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

There are several opportunities for OSFI to strengthen its climate risk management:

- **Advancing climate risk modelling methodologies.** Climate risk modelling methodologies are advancing, and supervisory approaches can evolve accordingly, for example by incorporating second- and third-order impacts and drawing on recommendations from the 2026 report from the University of Exeter and Carbon Tracker.⁶⁹
- **Assessing affordability and insurability under climate scenarios.** Prudential regulators can conduct system-wide assessments of how climate change affects insurance availability and affordability. For example, the Australian Prudential Regulation Authority's (APRA) Climate Vulnerability Assessment projected that one in seven homes is currently uninsured, potentially rising to one in four by 2050 under climate scenarios.⁷⁰ Similar modelling would help identify emerging system risk in Canada, especially wildfire or flood-prone areas. The Standardized Climate Scenario Exercises and the Climate Risk Returns represent substantive work in assessing system-wide physical risk, including early identification of insurance coverage gaps and concentration risks in flood- and wildfire-prone areas.⁷¹ OSFI is building the architecture for the Australia-style assessment; the public-facing outputs haven't yet been published.
- **More comprehensive climate risk disclosure.** Effective climate transition risk management requires prudential supervisors to understand financial institutions' climate risk exposures and contribution to climate change.⁷² Public disclosure of this climate risk gives stakeholders the information needed to pressure institutions toward mitigation and regulators towards more effective intervention. A key indicator of climate transition risk is the emissions — scope 1 to 3 — tied to a firm's investment, lending, and underwriting activity today, and whether or not those emissions will be mitigated via a credible net-zero transition plan. Large EU financial institutions are already required to disclose all material financed emissions.⁷³ Physical climate risk exposures across financing activities are also an important metric. Finally, supervisors need forward-looking analysis of how climate risks may evolve across scenarios and affect asset values over time.

- **Setting a near-term timeline for financial institutions to disclose robust transition plans, along with clear guidance.** Regulators can require public transition plan disclosure — details of the actions the financial institution will take to change the way it does business to mitigate its climate risks — and regular reporting on progress. Comprehensive guidance for financial institution transition plans is available from the International Financial Reporting Standards (IFRS)⁷⁴ and GFANZ.⁷⁵ Some jurisdictions already require financial institutions to provide elements of transition planning, for example the UK Prudential Regulation Authority now expects banks and insurers to report how climate risks are changing their day-to-day business activities.⁷⁶ Large banks across the EU are required to disclose comprehensive transition plans.⁷⁷
- **Enlisting micro-prudential tools to ensure financial institutions have appropriate capital to meet their liabilities — whether to their banking clients, insurance policyholders, or pension beneficiaries.** Prudential supervisors assess the capital adequacy of the financial institutions they regulate, and they also require the institutions to undertake their own internal assessments. Both present an opportunity to price in climate risk and opportunities. The European Insurance and Occupational Pensions Authority has recommended additive capital surcharges of up to 17% on fossil fuel equity holdings and 40% on fossil fuel bonds.⁷⁸
- **Transparent enforcement of supervisory expectations.** Transparent enforcement will help drive change in the system. In other jurisdictions, supervisors provide some visibility into enforcement activities. In November 2025, the ECB issued its first penalty payment against a major bank which had failed to sufficiently assess and document the materiality of its climate-related and environmental risks.⁷⁹ Transparency about how individual firms are exposed to climate risk and are tackling these risks will help the market add pressure to firms to better manage them.

EVALUATION TABLE

MANDATE CLIMATE RISK RECOGNITION?

OSFI's 2023 public climate risk disclosure guideline⁸⁰ as well as their confidential Climate Risk Returns and the Standardized Climate Scenario Exercise for banks and insurers implicitly acknowledge that climate risk forms part of its mandate.

The Office of the Chief Actuary (OCA) is an independent unit within OSFI that provides actuarial advice to public pensions in Canada. In late 2023, for the first time its actuarial assessment of the Canada Pension Plan, the OCA included some limited climate risk analysis.⁸¹ Of concern, the latest CPP actuarial assessment shows two of its three delayed climate transition scenarios having a positive GDP impact.⁸² This counter-intuitive outcome highlights the urgent need for updated climate risk assessment practices.

In regards to the many private pensions within OSFI's mandate, there is no acknowledgement of climate risk management responsibility. Rather, OSFI defers to the Canadian Association of Pension Supervisory Authorities (CAPSA) — the national inter-jurisdictional body of federal and provincial pension regulators — for climate risk guidance applicable to federally-regulated pension plans.⁸³

CLIMATE RISK DISCLOSURE

As of June 2025, regulated banks and insurers have been required to publicly disclose certain information about climate risk governance, strategy, and management per Guideline B-15: Climate Risk Management. Scope 3 financed emissions are not required until fiscal year 2028 for on-balance sheet activities (with actual reporting in 2029) and 2029 for off-balance sheet activities (with actual reporting occurring in 2030).

More extensive climate risk disclosure from banks and insurers are also required via climate risk returns. Institution-specific information is kept confidential by OSFI even though many institutions report it voluntarily.

In 2024, the OCA said climate risks were embedded in its actuarial assumptions.⁸⁴ In early 2025 it published an assessment of how it considers climate risks, noting that they do not form part of baseline best-estimate assumptions.⁸⁵ Subsequently, Shift and Ecojustice have highlighted how the OCA is failing to adequately assess Canada's public sector pension climate risk.⁸⁶

OSFI does not require climate risk disclosures from the private pension it regulates and the CAPSA Risk Management Guideline merely suggests the use of climate risk scenario analysis, where appropriate.⁸⁷ In 2021, OSFI stated it was collaborating with CAPSA to develop guidance on integrating ESG factors in pension fund investment and risk management, and will assess the need for additional guidance thereafter.⁸⁸

BEYOND DISCLOSURE

The Superintendent also has the authority, but does not yet,

- Require public disclosure of robust transition plans from the financial institutions it oversees (although referenced in B-15 section 3, little-to-no standard is provided about what constitutes a credible transition plan and no timeline is given for enforcement), or
- Ensure capital requirements clearly reflect different levels of climate risk (microprudential).

In regards to the latter, Guideline B-15 is clear that banks and insurers are expected to incorporate climate-related risks into their own internal capital adequacy and risk and solvency assessments (ICCAAP and ORSA), and that the banks should incorporate the impact of climate-related drivers on their liquidity risk profile and buffers. OSFI also provides a checklist of what banks should consider via its internal capital adequacy assessment process template, and institutions have to demonstrate how they consider climate risks when submitting their ICAAP or ORSA data return. However, OSFI has not provided specific guidance on how to do so, nor has it facilitated the process by imposing specific capital surcharge for fossil fuels.

For private federally-regulated pensions, which are explicitly carved out of B-15, funding adequacy tests (a.k.a., solvency and going-concern ratios) are meant to ensure plans have enough assets to cover liabilities.⁸⁹ These do not specifically mention climate.

OSFI reserves the right to impose supervisory capital expectations based on its review of a financial institution's climate risk disclosures and internal assessments. There is no evidence of this occurring.

TRANSPARENCY

OSFI undertakes consultations and publishes high-level summaries of climate risk regulation consultations. It also provides summaries of confidential climate-risk disclosures.

OSFI says it engages privately with any financial institutions that show concerning results in its Climate Risk Scenario Exercise and its Climate Risk Returns. OSFI doesn't publish information about which institutions or individuals receive monetary penalties or the outcomes of specific enforcement actions — confidentiality arguably required by the OSFI Act, s.22. Note that many financial institutions already voluntarily report data continued in the Climate Risk Returns.

SECURITIES REGULATION, PRUDENTIAL SUPERVISION, AND MARKET CONDUCT: AUTORITÉ DES MARCHÉS FINANCIERS (AMF)

MANDATE AND RELATION TO CLIMATE RISK

The Autorité des marchés financiers (AMF) is Quebec's financial regulator, with a mandate covering the stability and resilience of the financial sector and the protection of financial consumers. It is roughly analogous to Ontario's Securities Commission and Financial Services Regulatory Authority combined; however pension supervision in Quebec is handled separately by Retraite Québec.

As climate-related financial risks have grown, regulators with mandates spanning financial stability, market integrity, and consumer protection have increasingly recognized that climate change and the global transition to a low-carbon economy can materially impact both the resilience of financial institutions and outcomes for consumers and investors. Climate risks affect asset values, liabilities, underwriting, and product design. As a result, climate risk management is increasingly understood to fall within core regulatory mandates.

As the only provincial financial services regulator in Canada to require climate risk disclosures for provincially-regulated financial institutions, AMF has acknowledged that climate risk management falls within its mandate.

For insight on the role of the Canadian Securities Association (CSA) in guiding the actions of the AMF, see the section entitled Securities Regulators — OSC, BCSC, ASC.

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

The AMF — with combined responsibilities for securities regulation, prudential supervision, and market conduct — has a range of tools available to manage climate risk, with emerging practices in other jurisdictions illustrating potential approaches:

Securities regulation

- **Mandating standardized climate risk disclosure frameworks, beyond financial institutions.** The AMF can introduce mandatory, standardized disclosure regimes aligned with frameworks such as TCFD or ISSB standards. UK's Financial Conduct Authority (FCA) finalized TCFD-aligned disclosure rules in 2021,⁹⁰ resulting in a significant increase in consistent reporting.⁹¹ Similarly, Australia mandated climate-related financial disclosures for large businesses and financial institutions starting January 1, 2025.⁹² Carbon Tracker notes that bond markets face unique exposure to climate-related risks and should have instrument-specific climate-risk disclosure guidelines.⁹³
- **Policing greenwashing.** Even without new rules, regulators can enforce existing requirements that material climate risks be disclosed fully and accurately, and climate claims be accurate. This includes pursuing enforcement actions using tools such as monetary penalties, disgorgement, and conduct orders. Publicizing enforcement intent and actions can serve a deterrent function and improve market confidence. For example, in 2025 the Ontario Securities Commission (OSC) used its enforcement power to initiate proceedings against Purpose Investments, due to their alleged lack of ESG consideration, despite advertising from the company to the contrary.⁹⁴ It is the only provincial securities regulator to have done so publicly.
- **Publishing thematic guidances, conducting thematic reviews and publishing findings.** Regulators can provide guidances on specific activities, for example, clarifying what terms can be used and what qualifications must be made with respect to net zero commitments. Regulators can also undertake proactive reviews of climate-related disclosures across issuers and publish findings. For example, the UK FCA completed a multi-firm review of TCFD-aligned disclosures in 2025, identifying gaps and communicating expectations for improvement.⁹⁵
- **Improving transparency of supervisory activities.** Securities regulators can enhance public visibility into climate-related supervisory work, including publishing summaries of engagements with issuers, complaint handling, and areas of recurring deficiency. This can be done without changing the legal framework and helps establish clear expectations. ASIC, Australia's securities regulator, publishes regular reports outlining its actions related to greenwashing.⁹⁶ ASIC discloses — alongside punitive measures (which are also disclosed by Canadian securities regulators) — corrective disclosure outcomes. In a letter written to Investors for Paris Compliance by the Alberta Securities Commission (ASC) following our complaint filed against Cenovus and Enbridge, the ASC noted that in 2024, 58% of CSA reviews result in improved or amended disclosure and 8% resulted in enforcement, cease-trade orders, or placement on the defaulting issuer list. These outcomes are not made public, in contrast with ASIC. While some processes, like pre-publication screening of disclosures, may necessitate private consultations, many processes could benefit from heightened transparency.

Prudential supervision

- **Advancing climate risk modelling methodologies.** Climate risk modelling methodologies are advancing, and supervisory approaches can evolve accordingly, for example by incorporating second- and third-order impacts and drawing on recommendations from the 2026 report from the University of Exeter and Carbon Tracker.⁹⁷ Climate risk-related research best practices include:
 - Placing greater emphasis on extremes rather than averages; accounting for compounding effects, tail risks, and systemic vulnerability; and,
 - Exploring a range of plausible outcomes rather than single trajectories.⁹⁸
- **More comprehensive climate risk disclosure.** Effective climate risk management requires prudential supervisors to understand financial institutions' exposures, and public disclosure gives investors, clients, and beneficiaries the information needed to pressure institutions toward mitigation. Relatedly, decision-useful metrics for climate risk management can vary across different types of institutions. A key indicator of climate transition risk is the emissions — scope 1 to 3 — tied to a firm's investment, lending, and underwriting activity today, and whether or not those emissions will be mitigated via a credible net-zero transition plan. Large EU financial institutions are already required to disclose all material financed emissions.⁹⁹ For many provincially regulated entities, particularly those with regionally concentrated lending or underwriting activities, physical risk exposures may be more immediately material and decision-relevant than emissions-based metrics. Beyond current emissions, supervisors also need forward-looking analysis of how climate risks may evolve across scenarios and affect asset values over time.
- **Setting a near-term timeline for financial institutions to disclose robust transition plans, along with clear guidance.** Regulators can require transition plan disclosure — details of the actions a company will take to change the way it does business to mitigate its climate risks — and regular reporting on progress. Comprehensive guidance for financial institution transition plans is available from the IFRS¹⁰⁰ and GFANZ.¹⁰¹ Some jurisdictions already require financial institutions to provide elements of transition planning, for example the UK Prudential Regulation Authority now expects banks and insurers to report how climate risks are changing their day-to-day business activities.¹⁰² Large banks across the EU are required to disclose comprehensive transition plans.¹⁰³
- **Enlisting micro-prudential tools to ensure financial institutions have appropriate capital to meet their liabilities — whether to their banking clients and insurance policyholders.** Prudential supervisors assess the capital adequacy of the financial institutions they regulate, and they also require the institutions to undertake their own internal assessments. Both present an opportunity to price in climate risk and opportunities. The European Insurance and Occupational Pensions Authority has recommended additive capital surcharges of up to 17% on fossil fuel equity holdings and 40% on fossil fuel bonds.¹⁰⁴

- **Transparent enforcement of supervisory expectations.** Transparent enforcement will help drive change in the system. In other jurisdictions, supervisors provide some visibility into enforcement activities. In November 2025, the ECB issued its first penalty payment against a major bank which had failed to sufficiently assess and document the materiality of its climate-related and environmental risks.¹⁰⁵ Transparency about how individual firms are exposed to climate risk and are tackling these risks will help the market add pressure to firms to better manage them.

Market conduct

- **Enhancing insurer public climate risk disclosures.** Market conduct regulators can require insurers provide public explanations if climate-related risk contributes to non-renewal decisions, aggregate changes in premium and coverage data by postal code, hazard type and insurer, and early warning requirements when insurers plan to exit or restrict coverage in specific regions. In the U.S., regulators require public ZIP-code-level disclosure of premiums, claims, deductibles, and nonrenewals.¹⁰⁶ Enhanced public disclosures would make insurance risk visible to lenders and other market participants, while enforcement actions ensure financial products stay viable and fair.
- **Assessing affordability and insurability under climate scenarios.** Market conduct and prudential regulators can conduct system-wide assessments of how climate change affects insurance availability and affordability, evaluating current and forward-looking protection gaps under a range of climate scenarios, including implications for households, mortgage markets, and broader financial stability. For example, the Australian Prudential Regulation Authority's Climate Vulnerability Assessment projected that one in seven homes is currently uninsured, potentially rising to one in four by 2050 under climate scenarios.¹⁰⁷ Similar modelling would help identify emerging system risk in respective provinces, especially wildfire or flood-prone areas. The Standardized Climate Scenario Exercises, which AMF conducted along with OSFI, represents substantive work in assessing system-wide physical risk, including early identification of insurance coverage gaps and concentration risks in flood- and wildfire-prone areas.¹⁰⁸ AMF is building the architecture for the Australia-style assessment; the public-facing outputs haven't yet been published. At a minimum, provincial regulators should publicly map protection gaps and report systematically on affordability and insurability trends across regions and risk profiles.

EVALUATION TABLE

MANDATE CLIMATE RISK RECOGNITION?

Securities regulation

In its 2026-2027 Statement of Priorities, the AMF states that it will "continue to step up its monitoring of issuers' disclosures relating to environmental, social and governance (ESG) issues in order to reduce the risks of misleading information and greenwashing practices."¹⁰⁹

Prudential oversight

AMF has acknowledged climate risk falls within its financial prudential and accurate disclosure mandates via the publication of its 2024 Climate Risk Management Guideline¹¹⁰ and participation alongside OSFI in 2024-2025, in the Standardized Climate Scenario Exercise (SCSE), which assessed Canadian financial institution portfolio resilience.¹¹¹

Market conduct

AMF is the only market conduct regulator in Canada to embed climate risk expectations within fair treatment of consumers guidance. Its 2024 Climate Risk Management Guideline includes provisions aimed at both disclosure to clients and ensuring product viability by incorporating climate risk assessment into financial product design.¹¹²

CLIMATE RISK DISCLOSURE

Securities regulation

AMF has republished the CSA staff notices which clarify that material climate-related risks, as well as climate-related claims, should be disclosed and are subject to the same degree of accuracy and completeness as any other disclosure.¹¹³ After the CSA paused its process to develop mandatory economy-wide disclosure rules, the AMF opted to go along with the pause instead of developing its own mandatory disclosure process.

Prudential oversight

The AMF is currently the only provincial financial services regulator in Canada to require climate risk disclosures as part of its Climate Risk Management Guideline. AMF's climate risk disclosure guideline is broadly aligned with OSFI's B-15. Regulated institutions must demonstrate integration of climate risk into core internal processes, including budgets, action plans, as well as internal capital adequacy and solvency assessments.¹¹⁴ However, scope 3 emissions disclosure has been deferred to fiscal year 2028 (with actual disclosures occurring in 2029).¹¹⁵

CLIMATE RISK DISCLOSURE CONT'D

Market conduct

The AMF's Climate Risk Management Guideline requires that financial institutions provide clients with "clear, accurate and timely information regarding climate-related risks" before and during the product offering process. This disclosure is multiple steps ahead of other market conduct regulators in Canada. The AMF also discloses more general premium data, however it does not publicly disclose, or require, explanations from insurers if climate-related risk contributes to non-renewal decisions, aggregate changes in premium and coverage data by postal code, hazard type and insurer, and early warning requirements when insurers plan to exit or restrict coverage in specific regions.

BEYOND DISCLOSURE

Securities regulation

Even though the AMF identifies "monitoring issuers disclosures relating to environmental, social and governance (ESG) issues in order to reduce the risks of misleading information and greenwashing practices" as a priority,¹¹⁶ there is no public evidence of enforcement.

Prudential oversight

Public visibility into supervisory enforcement is limited. It is unclear whether the AMF is deploying efforts to enforce its Climate Risk Management Guideline, and whether, ultimately, the guideline is resulting in better climate risk management by companies. Furthermore, AMF has not translated climate risk into explicit capital requirements.

Market conduct

In its Climate Risk Management Guideline, the AMF expects financial institutions to "design [...] products adapted to incorporate climate-related risks," as well as regularly review and update climate-related risk factors in the underwriting process.¹¹⁷ This expectation to incorporate climate considerations into product design goes beyond disclosure standards. There is no evidence of active enforcement of these expectations, though the guidance was published in 2024. The AMF has also not conducted a provincial assessment of insurance availability and affordability in light of climate risk.

TRANSPARENCY

The AMF's Annual enforcement report (FR) summarizes individual tribunal decisions and penalties.¹¹⁸ This is standard among provincial security commissions. However, the AMF has no record of publicly taking any enforcement actions regarding greenwashing or misleading climate-related disclosures. The AMF's website provides no examples of climate risk enforcement actions, and it is unclear how actively the Guideline is being monitored or applied.

This does not necessarily mean that AMF has not engaged privately with its reporting issuers on greenwashing or complete climate-risk disclosure. Rather, it means no investigation or engagement has proceeded to tribunal. Private engagements that result in reporting issuers amending disclosures or shifting use of climate-related language are not made public by the AMF.

Regarding consultations, in 2022, the AMF surveyed approximately 100 financial institutions regarding the measures they implemented to handle climate-related risks, and published the results in a report.¹¹⁹ It maintains ten consultative committees on various themes, but none on climate specifically. Furthermore, the various attempts made by I4PC to flag to the AMF potential greenwashing practices¹²⁰ or to initiate dialogue on questionable publications by emitters¹²¹ did not lead to meaningful engagement.

SECURITIES REGULATORS — OSC, BCSC, ASC

MANDATE AND RELATION TO CLIMATE RISK

Each of Canada's largest provincial securities commissions outside of Quebec — the Ontario Securities Commission (OSC),¹²² the Alberta Securities Commission (ASC),¹²³ and the British Columbia Securities Commission (BCSC)¹²⁴ — has a statutory mandate focused on investor protection and the maintenance of fair and efficient capital markets. The OSC additionally identifies reducing systemic risk as part of its mandate.¹²⁵

Climate risk intersects directly with these mandates. Misrepresentation of climate-related risks or opportunities, or "greenwashing," can harm investors in reporting issuers and investment products, while failure to disclose material climate risks undermines market efficiency. More broadly, systemic climate shocks — whether physical or transition-related — can affect asset valuations and destabilize capital markets. As a result, climate-related risks are increasingly understood to fall within the core functions of securities regulation, particularly through the requirement that all material information be accurately and fully disclosed to the market.¹²⁶

In Canada, securities regulation is provincial, with no federal regulator; instead, each province administers its own securities legislation through a commission. To manage this fragmented system, regulators coordinate through the CSA, a voluntary body that develops harmonized national policy frameworks. In practice, the CSA operates on consensus, and policies must be adopted by member regulators to be binding.¹²⁷

The CSA has issued a series of staff notices clarifying that climate-related risks are captured by existing disclosure obligations. Staff Notice 51-333 states that environmental matters, including climate risk, must be disclosed where material.¹²⁸ Staff Notice 51-354 found that disclosures are often boilerplate and inconsistent,¹²⁹ and Staff Notice 51-358 called for more entity-specific disclosure.¹³⁰ CSA Staff Notices 51-364¹³¹ and 81-334 both flag trends of greenwashing and overly promotional disclosure by Canadian reporting issuers without identifying the offending parties.¹³² The CSA has been clear that climate-related risks fall squarely within core securities law requirements.

Despite this recognition, the CSA has not yet finalized a mandatory, standardized disclosure regime. Proposed National Instrument 51-107,¹³³ based on the Task Force on Climate-related Financial Disclosures (TCFD), was delayed and ultimately paused in April 2025. As a result, climate-related risks are recognized as material, but there is no consistent, pan-Canadian disclosure framework.

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

The OSC, ASC, BCSC have a range of tools available to strengthen the accuracy, consistency, and usefulness of climate-related disclosures:

- **Mandating standardized climate risk disclosure frameworks.** Regulators can introduce mandatory, standardized disclosure regimes aligned with frameworks such as TCFD or ISSB standards. UK's FCA finalized TCFD-aligned disclosure rules in 2021,¹³⁴ resulting in a significant increase in consistent reporting.¹³⁵ Similarly, Australia mandated climate-related financial disclosures for large businesses and financial institutions starting January 1, 2025.¹³⁶ Carbon Tracker notes that bond markets face unique exposure to climate-related risks and should have instrument-specific climate-risk disclosure guidelines.¹³⁷
- **Policing greenwashing.** Even without new rules, regulators can enforce existing requirements that material climate risks be disclosed fully and accurately, and climate claims be accurate. This includes pursuing enforcement actions using tools such as monetary penalties, disgorgement, and conduct orders. Publicizing enforcement intent and actions can serve a deterrent function and improve market confidence.
- **Publishing thematic guidances, conducting thematic reviews and publishing findings.** Regulators can provide guidances on specific activities, e.g., clarifying what terms can be used and what qualifications must be made with respect to net zero commitments. Regulators can also undertake proactive reviews of climate-related disclosures across issuers and publish findings. For example, the UK FCA completed a multi-firm review of TCFD-aligned disclosures in 2025, identifying gaps and communicating expectations for improvement.¹³⁸
- **Improving transparency of supervisory activities.** Regulators can enhance public visibility into climate-related supervisory work, including publishing summaries of engagements with issuers, complaint handling, and areas of recurring deficiency. This can be done without changing the legal framework and helps establish clear expectations. ASIC, Australia's securities regulator, publishes regular reports outlining actions interventions it took related to greenwashing.¹³⁹ ASIC discloses, alongside punitive measures (which are also disclosed by Canadian securities regulators), corrective disclosure outcomes. In a letter written to Investors for Paris Compliance by the ASC following our complaint filed against Cenovus and Enbridge, the ASC noted that 58% of CSA reviews result in improved or amended disclosure and 8% resulted in enforcement, cease-trade orders, or placement on the defaulting issuer list. These outcomes are not made public, in contrast with ASIC. While some processes, like pre-publication screening of disclosures, may necessitate private consultations, many processes could benefit from heightened transparency.

EVALUATION TABLES

OSC

MANDATE CLIMATE RISK RECOGNITION?

The OSC has broadly recognized its obligation to enforce accuracy of climate-related disclosures as its primary climate-related mandate. Its 2025 report categorizes the development of a revised climate-related disclosure rule to fit under their mandate of risk management,¹⁴⁰ while its strategic plan cites investor demand for climate-related transparency.¹⁴¹ It has also published an approach to sustainable finance, in which it states it takes a "climate-first approach" to sustainable finance assessments.¹⁴²

CLIMATE RISK DISCLOSURE

The OSC has republished the CSA staff notice which clarifies that material climate-related risks should be disclosed and are subject to the same degree of scrutiny and accuracy as any other disclosure.¹⁴³ It has not published anything further on the matter, or defined a standardized disclosure practice. After the CSA paused its process to develop mandatory economy-wide disclosure rules, the OSC opted to go along with the pause instead of developing its own mandatory disclosure process.

Securities regulators can expand their disclosure requirements beyond the proposed CSA climate disclosure guidelines. For example, the UK's FCA is considering mandating accurate and comprehensive disclosures surrounding transition plans on a comply or explain basis.¹⁴⁴

BEYOND DISCLOSURE

Beyond disclosure, the primary tool provincial securities regulators have to regulate climate risk is enforcement of accurate disclosure of climate-related risks where they are material, and enforcing against greenwashing.

In 2025 OSC used its enforcement power to initiate proceedings against Purpose Investments, due to their alleged lack of ESG consideration, despite advertising from the company to the contrary.¹⁴⁵ It is the only provincial securities regulator to have done so publicly.

TRANSPARENCY

The OSC is relatively transparent surrounding its climate-related mandate. In 2024, it published a document outlining its approach to sustainable finance.¹⁴⁶ It outlined a "climate-first" framework highlighting its regulatory schemes and noting it embeds sustainability into its oversight.

The OSC holds a seat on the International Organization of Securities Commissions' Sustainable Finance Taskforce, signalling international engagement. It has also published standalone research, including a 2024 report assessing the impact of ESG disclosure on investment fund performance.¹⁴⁷

The OSC publishes: a summary of its enforcement activities in its annual reports; tribunal proceedings;¹⁴⁸ its "decisions in brief";¹⁴⁹ as well as its orders, rulings and decisions though it does not have a specific category for greenwashing-related enforcement activity.¹⁵⁰ It does not disclose corrective disclosure outcomes.

ASC

MANDATE CLIMATE RISK RECOGNITION?

The ASC has recognized that climate risk rests within its mandate, but only in its energy sector report.¹⁵¹ It has not explicitly or implicitly recognized the significance of climate risk on the stability of, and trust in, financial markets.

CLIMATE RISK DISCLOSURE

The ASC's 2025 Energy Matters report notes that oversight of climate-related disclosures falls under the mandate of its energy group.¹⁵² The same report notes that "the ASC remains committed to addressing materially misleading or inaccurate disclosure." However, Alberta's subsequent Financial Statutes Amendment (formerly Bill 12) significantly restricts the liability framework of the ASC.¹⁵³ It prevents lawsuits and regulatory repercussions for corporations who set forward-looking plans like emissions targets and transition plans. The scope of Bill 12's 'good faith' threshold, protecting reporting issuers from the repercussions of making misleading or inaccurate statements, has not been tested, but limits the ASC's capacity to police accuracy in corporate climate-related disclosures.

The ASC has communicated some degree of hostility towards centralized efforts to enforce truth and precision in climate-related disclosures. It makes a point, in its Energy Matters Report, to reference Federal Legislation (Bill C-59) as a catalyst for regression in the number of reporting issuers making climate-related disclosures.¹⁵⁴ It also supported the CSA's decision to halt its mandatory climate-related disclosure consultation process, stating that "[t]his decision reflects the ASC's commitment to supporting Alberta capital markets during a time of significant global economic change and uncertainty."¹⁵⁵

BEYOND DISCLOSURE

Beyond disclosure, the primary tool provincial securities regulators have to regulate climate risk is enforcement of accurate disclosure of climate-related risks where they are material, and enforcing against greenwashing. However, foreign counterparts have expanded their climate risk mandate, like the UK's FCA which is considering mandating accurate and comprehensive disclosures surrounding transition plans on a comply or explain basis.¹⁵⁶

The ASC has never publicly exercised its enforcement powers on cases related to greenwashing or climate-related disclosures.

TRANSPARENCY

The ASC annually publishes a sustainability disclosure summary, which has no equivalent at any other Canadian regulator.¹⁵⁷ This publication also includes green financing summaries, however it categorizes activities pertaining to the oil and gas sector as "green" or "transition" which does not align with sustainable finance taxonomies like the EU's.

The ASC publishes all Notices, Decision and Orders, though does not have a specific category for greenwashing-related enforcement activity.¹⁵⁸ It does not disclose corrective disclosure outcomes.

BCSC**MANDATE CLIMATE RISK RECOGNITION?**

The BCSC has publicly recognized that investors are interested in ESG matters, and references its aim to develop further climate-related governance and disclosure requirements as a result.¹⁵⁹

CLIMATE RISK DISCLOSURE

The BCSC has republished the CSA staff notice which clarifies that material climate-related risks should be disclosed and are subject to the same degree of scrutiny and accuracy as any other disclosure.¹⁶⁰ It has not published anything further on the matter, or defined a standardized disclosure practice. After the CSA paused its process to develop mandatory economy-wide disclosure rules, the BCSC opted to go along with the pause instead of developing its own mandatory disclosure process.

BEYOND DISCLOSURE

Beyond disclosure, the primary tool provincial securities regulators have to regulate climate risk is enforcement of accurate disclosure of climate-related risks where they are material, and enforcing against greenwashing. However, foreign counterparts have expanded their climate risk mandate, like the UK's FCA which is considering mandating accurate and comprehensive disclosures surrounding transition plans on a comply or explain basis.¹⁶¹

The BCSC has never publicly exercised its enforcement powers on cases related to greenwashing or climate-related disclosures. This does not necessarily mean that BCSC has not engaged privately with its reporting issuers on greenwashing or complete climate-risk disclosure. Rather, it means no investigation or engagement has proceeded to tribunal. Private engagements that result in reporting issuers amending disclosures or shifting use of climate-related language are not made public by the BCSC.

TRANSPARENCY

The BCSC's climate transparency is relatively thin. It notes its participation in CSA work on climate governance.¹⁶² It has not published any standalone climate consultation papers, position papers, or stakeholder engagement reports pertaining to climate.

The BCSC publishes hearings related to enforcement activities,¹⁶³ and decisions,¹⁶⁴ though it does not have a specific category for greenwashing-related enforcement activity. It does not disclose corrective disclosure outcomes.

FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO (FSRA), BC FINANCIAL SERVICES AUTHORITY (BCFSA), & ALBERTA'S REGULATORS

MANDATE AND RELATION TO CLIMATE RISK

The Financial Services Regulatory Authority of Ontario (FSRA) and the BC Financial Services Authority (BCFSA) have a dual mandate: prudential supervision of provincially-regulated financial entities — including insurers, credit unions, mortgage brokers, loan and trust companies, and real estate professionals — and market conduct supervision of all institutions that are licensed in their respective provinces including federally-regulated financial institutions.

Alberta does not have a single integrated regulator, rather regulatory responsibilities are distributed across the government. The Alberta Superintendent of Financial Institutions, Insurance and Pensions (ASFI) operates under Alberta Treasury Board and Finance. Prudential responsibilities are shared between the Superintendent, which also oversees market conduct, and the Credit Union Deposit Guarantee Corporation (CUDGC) which is the primary prudential regulator and deposit insurer for all credit unions in Alberta.

As climate-related financial risks have grown, regulators with both prudential and market conduct mandates have increasingly recognized that climate change and related natural catastrophes can materially impact both financial stability and consumer protection. Climate risks affect financial institutions liabilities, asset values, and product pricing, while also shaping the availability, affordability, and suitability of financial products for consumers. As a result, prudent risk management of climate risk is increasingly understood as integral to both financial-sector safety and fair treatment of customers.

BCFSA has recognized that prudent risk management of climate is integral to financial-sector safety and consumer protection.¹⁶⁵ FSRA has acknowledged that climate change affects the sectors it regulates.¹⁶⁶ Alberta's regulators have recognized their role in addressing the effects of extreme weather, though do not publicly recognize any connection to climate change.

Insurance regulators also work through the Canadian Council of Insurance Regulators (CCIR), an inter-jurisdictional body that promotes harmonized approaches to insurance regulation across Canada on a consensus basis. CCIR's guidance and policy positions do not have independent legal force unless adopted or implemented by member regulators.

In 2017, the CCIR released a report examining how the increasing frequency and severity of natural catastrophes were affecting insurers and consumers. The report addressed the need for catastrophe risk modelling, availability of coverage, risk sharing, strategic risk mitigation planning (including of investments), and consumer understanding of insurance protections, noting these practices were already being employed by U.S. states.¹⁶⁷

The CCIR also followed up with a climate change position paper in 2023 recommending measures insurers could adopt to help homeowners better understand and mitigate risks associated with natural catastrophes and a changing climate.¹⁶⁸ The paper emphasized the importance of improving consumer awareness regarding property risks and policy coverage, which the CCIR-run Climate Change, Natural Catastrophes and Consumer Awareness Working Group is tasked with activating. Its 2026–2029 strategic plan specifically identifies rising climate-related risks as a factor requiring "regulatory agility and responsiveness."¹⁶⁹

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

The financial institutions that provincial regulators oversee may be smaller and regional, this does not diminish climate risk, indeed, regional concentration can amplify it. A credit union with 80% of its mortgage portfolio in wildfire-prone BC interior communities faces more concentrated physical risk than a national bank. But it means supervisory expectations must be calibrated differently. FSRA, BCFSa, and Alberta's provincial regulators each have a range of tools available to address climate risk, with examples from other jurisdictions illustrating emerging practices. There are several opportunities for the regulators to strengthen climate risk management:

Prudential

- **Advancing climate risk modelling methodologies.** Climate risk modelling methodologies are advancing, and supervisory approaches can evolve accordingly, for example by incorporating second- and third-order impacts and drawing on recommendations from the 2026 report from the University of Exeter and Carbon Tracker.¹⁷⁰ Climate risk-related research best practices include:
 - Placing greater emphasis on extremes rather than averages; accounting for compounding effects, tail risks, and systemic vulnerability; and,
 - Exploring a range of plausible outcomes rather than single trajectories.¹⁷¹

- **More comprehensive climate risk disclosure.** Effective climate risk management requires supervisory disclosure for the regulator to understand financial institutions' exposures, and public disclosure for investors, clients, and beneficiaries access to needed information. As provincially regulated firms can vary in size, provincial regulators can follow the lead of the AMF, which applies its climate risk management expectations proportionately, with implementation timelines and disclosure expectations varying according to the size, complexity, and risk profile of regulated institutions.¹⁷² Relatedly, decision-useful metrics for climate risk management can vary across different types of institutions. A key indicator of climate transition risk is the emissions — scope 1 to 3 — tied to a firm's investment, lending, and underwriting activity today, and whether or not those emissions will be mitigated via a credible net-zero transition plan. For many provincially-regulated entities, particularly those with regionally concentrated lending or underwriting activities, physical risk exposures may be more immediately material and decision-relevant than emissions-based metrics. Supervisors also need forward-looking analysis of how climate risks may evolve across scenarios and affect asset values over time. Multiple U.S. state insurance regulators mandate annual disclosure of the National Association of Insurance Commissioners Climate Risk Disclosure Survey, largely aligned with the TCFD framework.¹⁷³
- **Setting a near-term timeline for financial institutions to disclose robust transition plans, along with clear guidance.** Regulators can require transition plan disclosure — details of the actions a company will take to change the way it does business to mitigate its climate risks — and regular reporting on progress. Comprehensive guidance for financial institution transition plans is available from the IFRS¹⁷⁴ and GFANZ.¹⁷⁵ Some jurisdictions already require financial institutions to provide elements of transition planning, for example the UK Prudential Regulation Authority now expects banks and insurers to report how climate risks are changing their day-to-day business activities.¹⁷⁶
- **Enlisting micro-prudential tools to ensure financial institutions have appropriate capital to meet their liabilities — whether to their banking clients, insurance policyholders, or pension beneficiaries.** While federal regulators like the ECB have incorporated climate risk into capital assessments, provincial regulators also have meaningful tools.¹⁷⁷ The AMF requires insurers to incorporate climate-related risks into their Own Risk and Solvency Assessment and capital adequacy planning processes, including the assessment of severe climate scenarios and their impact on capital and liquidity buffers.¹⁷⁸ The European Insurance and Occupational Pensions Authority has recommended additive capital surcharges of up to 17% on fossil fuel equity holdings and 40% on fossil fuel bonds.¹⁷⁹

- **Transparent enforcement of supervisory expectations.** Transparent enforcement will help drive change in the system. In other jurisdictions, supervisors provide some visibility into enforcement activities. Transparency about how individual firms are exposed to climate risk and are tackling these risks will help the market add pressure to firms to better manage them. Regulators can use public consultations, regulatory roadmaps, and published feedback to signal expectations and build accountability.

Market conduct

- **Embedding climate considerations into Fair Treatment of Consumer guidance.** A leading example is the AMF's Climate Risk Management Guideline which includes expectations for product design (e.g., products adapted to incorporate climate-related risks), the underwriting process (e.g., consider needs of clients residing in high-risk areas), and disclosure to clients before or when a product is offered (e.g., what is covered if they are located in a flood- or wildfire-prone area).¹⁸⁰
- **Enhancing insurer public climate risk disclosures.** Market conduct regulators can require insurers provide public explanations if climate-related risk contributes to non-renewal decisions, aggregate changes in premium and coverage data by postal code, hazard type and insurer, and early warning requirements when insurers plan to exit or restrict coverage in specific regions. In the U.S., regulators require public ZIP-code-level disclosure of premiums, claims, deductibles, and nonrenewals.¹⁸¹ Enhanced public disclosures would make insurance risk visible to lenders and other market participants, while enforcement actions ensure financial products stay viable and fair.
- **Assessing affordability and insurability under climate scenarios.** Regulators can conduct system-wide assessments of how climate change affects insurance availability and affordability, particularly in high-risk regions. These assessments should evaluate current and forward-looking protection gaps under a range of climate scenarios, including implications for households, mortgage markets, and broader financial stability. For example, the Australian Prudential Regulation Authority's Climate Vulnerability Assessment projected that one in seven homes is currently uninsured, potentially rising to one in four by 2050 under climate scenarios.¹⁸² Similar modelling would help identify emerging system risk in respective provinces, especially wildfire or flood-prone areas. At a minimum, provincial regulators can publicly map and communicate protection gaps by measuring, monitoring, and publicly reporting on affordability and insurability trends across regions and risk profiles.

EVALUATION TABLES

BCFSA

MANDATE CLIMATE RISK RECOGNITION?

BCFSA has recognized climate change and related natural catastrophes as material risks to its prudential and market conduct oversight mandates in its 2023 discussion paper and public consultation on "Natural Catastrophes and Climate-related Risks", noting that prudent risk management of climate is integral to financial-sector safety and consumer protection.¹⁸³

BCFSA is also co-chair of the Canadian Council of Insurance Regulators' Climate Change, Natural Catastrophe & Consumer Awareness Working Group.

CLIMATE RISK DISCLOSURE

In 2023, BCFSA proposed two climate risk disclosure streams: "Market Transparency NCCR Disclosures" (institution-level climate exposures and strategies) and "Property-Specific NCCR Disclosures" (real estate-related climate hazards).¹⁸⁴ BCFSA also intends to develop an NCCR Management Guideline that would establish expectations for financial institutions to identify, measure, and manage NCCR, based on guidance developed by OSFI and CAPSA.¹⁸⁵

However, no formal disclosure requirements or guidance have yet been finalized, with guideline development expected in 2026/27.¹⁸⁶ The BCFSA receives information privately on material changes in coverage or underwriting practices as a part of ongoing supervisory monitoring. However, it does not publicly disclose, or collect, explanations from insurers if climate-related risk contributes to non-renewal decisions, aggregate changes in premium and coverage data by postal code, hazard type and insurer, and early warning requirements when insurers plan to exit or restrict coverage in specific regions.

BEYOND DISCLOSURE

The BCFSA has acknowledged that climate-related risks are already materializing in ways that affect consumers directly and is considering how expectations around consumer awareness, disclosure, and market conduct can evolve in this context, alongside broader efforts to strengthen system resilience. This includes engagement with industry and coordination with government and other stakeholders, recognizing that some of the underlying challenges extend beyond the direct remit of financial regulation.

The BCFSA has indicated it will apply a "NCCR lens" to several planned guidance documents in BCFSA's Regulatory Roadmap to ensure NCCR are considered holistically, including managing reported climate risks and stakeholder education (including a tabletop earthquake exercise).¹⁸⁷

However, it has not yet deployed binding prudential or market conduct tools, such as capital requirements, transition plan mandates, or enforceable market conduct and Fair Treatment of Consumer practices related to climate risk. Nor has the BCFSA published a consumer-facing province-wide assessment of insurance availability and affordability in light of climate risk.

BCFSA

TRANSPARENCY

BCFSA ran a full public consultation (with ~300 submissions) on climate risks, published the discussion paper and a "What We Heard" report, and provided detailed summaries of stakeholder feedback across all regulated segments.¹⁸⁸ BCFSA's Regulatory Roadmap, updated annually, publicly signals climate risk as a multi-year priority.¹⁸⁹

FSRA

MANDATE CLIMATE RISK RECOGNITION?

FSRA's 2025–26 Statement of Priorities notes that "natural catastrophes, and the risks associated with climate change, either directly or indirectly affect every sector that FSRA regulates."¹⁹⁰ It has also indicated it will consider ESG risks, with a focus on climate risk, when assessing the resilience of credit unions and has proposed the same for insurers.¹⁹¹ FSRA encourages both to continue progress towards further incorporation of ESG goals and climate risk management into their corporate strategies and business activities.¹⁹² However, it has not issued a dedicated climate risk statement or framework.

FSRA has not yet committed to undertaking these actions, despite a complaint from Investors for Paris Compliance outlining the importance of addressing climate risk management.¹⁹³

CLIMATE RISK DISCLOSURE

FSRA has not developed or proposed climate risk disclosure guidance or rules for its regulated entities. FSRA defers to CAPSA for climate risk management of pensions.

BEYOND DISCLOSURE

FSRA has not deployed regulatory tools to actively manage climate risk across its sectors, including prudential measures and market conduct expectations. FSRA has stated any observations on ESG will not punitively contribute to Insurers' Overall Risk Rating until, and if, future guidance is issued.¹⁹⁴ FSRA has also not conducted a provincial assessment of insurance availability and affordability in light of climate risk.

TRANSPARENCY

FSRA has not consulted on or articulated enforcement expectations related to climate risk, nor published information on inspections or actions related to climate-related risks.

ASFI & CUDGC

MANDATE CLIMATE RISK RECOGNITION?

ASFI has begun to address severe-weather risks affecting the insurance market, particularly hail and wildfire and their effects on insurance capacity and consumer outcomes, though climate change is not mentioned publicly as a key driver.

In correspondence, ASFI stated that climate-related risk is embedded within its existing supervisory framework, though it has not published a climate risk study or published climate-specific assessments of or guidance for its regulated sectors. Similarly, in correspondence, ASFI stated CUDGC issued guidance for credit unions entitled Climate Risk Management in 2024. This is not publicly available.

CLIMATE RISK DISCLOSURE

Neither regulator has developed or proposed climate risk disclosure guidance or rules for its regulated entities. ASFI stated in correspondence that the CUDGC and the Superintendent have asked credit unions and the Alberta Treasury Bank "to remain attentive to climate risks and to incorporate developments in climate-related risk management, including improved data and evolving risk-measurement methods, into their governance and risk management practices."

ASFI defers to CAPSA for climate risk management of pensions.

BEYOND DISCLOSURE

Neither regulator has deployed regulatory tools to actively manage climate risk across its sectors, including prudential measures and market conduct expectations.

However, ASFI stated in correspondence that Alberta's Minister of Treasury Board and Finance has begun to explore regulatory changes to address home insurance affordability. ASFI conducted a 2025 survey of residential property insurers regarding hail coverage availability and underwriting approaches, particularly in the Calgary area, and has stated in correspondence that it is undertaking ongoing work on home insurance availability, pricing pressures, and affordability.¹⁹⁵ It has also issued a special two-year claims extension for the Jasper wildfire.¹⁹⁶ Again, at no point do the Albertan regulators explicitly refer to climate change.

TRANSPARENCY

The majority of the measures outlined above were discovered via direct correspondence with ASFI. The regulators have not articulated disclosure expectations or enforcement measures related to climate risk.



CANADIAN PUBLIC ACCOUNTABILITY BOARD (CPAB)

MANDATE AND RELATION TO CLIMATE RISK

The Canadian Public Accountability Board (CPAB) is mandated by the CSA to oversee audit quality and enforce auditing standards for public companies.¹⁹⁷ Securities commissions require public companies to file annual financial statements that are assured by an independent auditor to ensure completeness and accuracy, and the CPAB's role is to regulate and inspect those audits. In addition, the CPAB monitors systemic risks that impact company audits and updates guidance where necessary.¹⁹⁸

As climate-related financial risks have grown, both the international auditing standard setter in 2020 and the CPAB in 2024 have clarified that auditors must consider the impacts of climate change when conducting a financial audit.¹⁹⁹ This includes assessing risks of material misstatement arising from climate change, evaluating whether climate-related impacts are reflected in accounting assumptions, and considering consistency between financial statements and other disclosures such as sustainability reporting.²⁰⁰

Due to inconsistent industry practice, the IFRS recently published 'illustrative examples' to clarify how existing accounting standards apply to disclosure of climate-related financial risks, including credit risk, asset retirement obligations, and asset impairment.²⁰¹ In turn, audit firms and research institutes have highlighted how audit practice must evolve to appropriately assess climate risk disclosures.²⁰² Auditors in Europe are progressing on this front.²⁰³ However, asset retirement obligations remain one of the most pressing climate-risk related areas for improvements in Canadian audit practice and audit regulators in other jurisdictions are surveilling these audit files closely.²⁰⁴

AVAILABLE ACTIONS FOR IMPROVED CLIMATE RISK MANAGEMENT

The CPAB has a range of tools available to strengthen the integration of climate risk into financial statement audits, including:

- **Clarifying expectations through public guidance on climate risk in financial statement audits.** Regulators can develop and publish guidance on how audit practice should evolve to provide quality assurance of climate-related financial information. In some jurisdictions, such as New Zealand, Australia, and the UK, audit and reporting authorities have issued supporting guidance for auditors to ensure that expectations are met regarding the consideration of climate risk during financial audits.²⁰⁵
- **Enhancing outcomes from audit quality reviews.** Findings from the CPAB's climate thematic reviews that assess how auditors are incorporating climate-related risks into their work can be operationalized to clearly identify deficiencies in specific files and communicate expectations for improvement.²⁰⁶
- **Strengthening enforcement.** The CPAB can impose requirements, restrictions, or sanctions where audit deficiencies are identified and not addressed, including mandatory remedial actions, restrictions on accepting new clients, or termination of a firm's ability to practice.²⁰⁷
- **Increasing transparency.** Greater transparency around inspection findings and enforcement actions — particularly as they relate to climate risk — can help drive improvements in audit quality and better inform the investing public. The CPAB already publishes firm-level inspection and enforcement results on audit areas that may be impacted by climate risk, such as long-lived assets and revenue and related accounts.²⁰⁸

EVALUATION TABLE

MANDATE CLIMATE RISK RECOGNITION?

The CPAB clarified that Canadian auditing standards require auditors to consider material climate risk during financial audits in its report, Impact of climate-related risks on financial statement audits.²⁰⁹ This reflects alignment with international auditing standards.

CLIMATE RISK DISCLOSURE

The CPAB does not have any publicly available guidance for auditors on how audit practice should evolve to provide quality assurance of climate-related financial information, despite doing so in other emerging audit areas (e.g., crypto).²¹⁰ However, it does provide a general summary of good practices in one report and it has provided comments in support of setting international standards for climate risk reporting and assurance.²¹¹

BEYOND DISCLOSURE

The CPAB's role is limited to regulatory oversight, enforcement of auditing standards, and administration of CPAB rules which govern auditor independence, accountability, and audit quality.²¹² While it has the authority to enforce standards, it has not yet clarified whether or how it is enforcing the consideration of climate risk during audits of climate-exposed companies, nor how findings of poor audit practice related to climate risk will be addressed.

TRANSPARENCY

Since 2022, the CPAB has conducted annual climate thematic reviews to understand how auditors evaluate the impact of climate-related risks in financial audits.²¹³ These reviews show that fewer than 30% of audits included consideration of climate-related risks, with significant variation in the quality and depth of assessments. Many audits were found to lack rigour and to have failed to consider climate-related information disclosed by the company. The CPAB has also stated that "auditors are still in the early stages of preparing to address climate-related risks in their financial statement audits."²¹⁴

The CPAB has not published whether any audit firms have been inspected for audit deficiencies related to climate risk, though it does publish reports about whether firms have been inspected for audit deficiencies related to other audit areas.²¹⁵

The CPAB also has not published any results of consultations with auditors, academics, or other thought leaders on the subject of improving assurance of climate-related financial disclosures. When contacted with evidence regarding specific high-risk audit files at climate-exposed companies, the CPAB did not open investigations.²¹⁶

ENDNOTES

Photo Credits:

p. 4: MichelGuenette / iStock.com
p. 5: peshkov / iStock.com
p. 10: peshkov / iStock.com
p. 11: shaunl / iStock.com
p. 13: Galeanu Mihai / iStock
p. 15: Tyler Easton / Unsplash
p. 18: Stephen Dawson / Unsplash
p. 20: Conny Schneider / Unsplash
p. 21: Fahroni / iStock.com
p. 25: sockagphoto / iStock.com
p. 29: Patrick Tomasso / Unsplash
p. 34: BalkansCat / iStock.com
p. 41: Unaihuiziphotography / iStock.com
p. 46: Oleg Charykov / iStock.com
p. 53: BalkansCat / iStock.com

- 1 [Intergovernmental Panel on Climate Change](#). (Note: These scientist findings are approved by states and therefore represent a conservative representation of climate science because they require political consensus.)
- 2 Institute and Faculty of Actuaries and University of Exeter, [Planetary Solvency — finding our balance with nature](#) (Jan. 2025).
- 3 Insurance Bureau of Canada, [New data finds severe weather inflicted unprecedented losses for Canadian businesses in 2024](#); Institute for Catastrophic Loss, [Societal Loss from Historic Natural Catastrophes in Canada](#) (Nov. 2025).
- 4 MyChoice, [Home Insurance Predictions for 2025](#) (March, 2025).
- 5 SwissRe, [Insured losses on trend to USD 145 billion in 2025](#) (Apr. 2025); I4PC, [Who Pays](#) (Nov. 2025).
- 6 I4PC, [Who Pays](#) (Nov. 2025).
- 7 IBC, [State of the Home Insurance Market](#) (Sep. 2025).
- 8 IBC, [Canadian governments need to emphasize climate defence over offence for the rest of this decade](#) (Jan. 2025).
- 9 OSFI, [Bank of Canada Disclosure of Climate-Related Risks 2024](#) (June 2025).
- 10 Rainforest Action Network et al, [Banking on Climate Chaos](#) (2025) at 10.
- 11 International Energy Agency, [Oil 2025](#) (2025).
- 12 Climate Home News, [IEA slashes pre-war oil demand forecast by nearly a million barrels a day](#) (April 15, 2026).
- 13 The Guardian, ['The damage is done': global oil crisis has changed fossil fuel industry for ever, IEA chief says](#) (April 24, 2026).
- 14 Euro News, [EV sales spike nearly 50% in the EU in March amid Iran war energy fears](#) (April 23, 2026).
- 15 Sustainability Directory, [Vietnam Scraps Largest Planned LNG Power Project Favoring Renewable Expansion](#) (April 23, 2026).
- 16 The Guardian, ['The damage is done': global oil crisis has changed fossil fuel industry for ever, IEA chief says](#) (April 24, 2026).
- 17 CleanTechnica, [Bloomberg 2025 Electric Vehicle Outlook Report](#) (June 2025).
- 18 Transport & Environment, [EV progress report](#) (March 12, 2026).
- 19 Carbon Tracker, [Fading Fortunes](#) (Nov. 2025).
- 20 International Institute for Sustainable Development, [Canadian Oil and Gas Production in the Global Clean Energy Transition](#) (Jun. 2025).
- 21 Investors for Paris Compliance, [Accounting for the Canadian Oil & Gas Liabilities Gap](#) (Nov, 2025).
- 22 Financial Post, [National Bank CEO pushes for Keystone XL revival and Eastern energy corridor](#) (March 24, 2026); BNN Bloomberg, [Scotiabank CEO highlights Canadian exports amid Iran war](#) (April 14, 2026).
- 23 OSFI, [Climate Risk Management](#) (March 2025).
- 24 BloombergNEF, [Bank Financing Shows Little Progress on Climate Goals](#) (September 18, 2025).
- 25 See for example: Investors for Paris Compliance (I4PC), [Canadian Asset Managers & Net Zero: A Progress Report](#) (January 29, 2025); and I4PC, [Investing in a healthy future: the need to align money and mission at Great-West, Manulife, and Sun Life](#) (December 11, 2025).
- 26 See for example I4PC [Great-West 2025 resolution](#) and [I4PC TD 2024 resolution](#).
- 27 CBC, [Green banking alliance Carney helped create pauses activities, holds vote on its future](#) (August 28, 2025).
- 28 Net Zero Investor, [Scotiabank, RBC retire 2030 emissions targets in climate strategy overhaul](#) (April 20, 2026).
- 29 Ibid.
- 30 Investment Executive, [Critics blast Canada's largest pension fund for scrapping its net-zero target](#) (May 21, 2025).
- 31 See note 22.
- 32 See for example International Energy Agency, [Net Zero by 2050](#) (May 2021).
- 33 International Monetary Fund, [Joint Report Explores Scope for Coordinated Approaches on Climate Action, Carbon Pricing, and Policy Spillovers](#) (October 23, 2024); and Organization for Economic Cooperation and Development, [Fast-tracking Net Zero by Building Climate and Economic Resilience](#) (May 27, 2025).
- 34 Alperen A Gözlügöl, [Credit Substitution in Sustainable Finance: An Achilles Heel?](#) (October 22, 2025).
- 35 The Canadian Press, [Alberta to insulate AIMCo from liability, companies from greenwashing allegations](#) (November 26, 2025).

- 36 See for example: Yannis Dafermos, *The climate crisis meets the ECB: tinkering around the edges or paradigm shift?* (Jan. 2026); LSE Grantham Research Institute on Climate Change and the Environment, *Aligning financial and monetary policies with the concept of double materiality: rationales, proposals and challenges* (June 2022).
- 37 Chenet, H., Ryan-Collins, J. & van Lerven, F., *Finance, climate-change and radical uncertainty: Towards a precautionary approach to financial policy*, *Ecological Economics*, Vol. 183 (2021).
- 38 Julie Segal, *Comparing sustainable finance policies across jurisdictions: to what degree are they cohesive with climate policy?* (LSEC, Nov. 2025).
- 39 University of Exeter (Green Futures Solutions) and Carbon Tracker, *Recalibrating Climate Risk* (Feb. 2026).
- 40 BoC, *Disclosure of Climate-Related Risks 2023* (Feb. 2026) message from Governor Tiff Macklem.
- 41 Positive Money, *The Green Central Banking Scorecard 2024* (2024) at 30-31.
- 42 Ibid, at 30.
- 43 University of Exeter (Green Futures Solutions) and Carbon Tracker, *Recalibrating Climate Risk* (Feb. 2026).
- 44 See for example BoC's *Financial Stability Report* (May 2025) vs. the Bank of England's *Financial Stability Report* (Dec. 2025) at 7.3.
- 45 Ibid. (Note: for example in late 2021, at the height of the Covid-related economic downturn, it reached nearly \$500 billion.)
- 46 BoC, *Assets and liabilities* (weekly), as of April 22, 2026. (Note: about 82% consists of Canadian or similar bonds, and 8.5% or \$18 billion are collateral held from banks for short term loans.)
- 47 BoC, *Disclosure of climate-related financial risks 2025* (April 2026), at Table 2.
- 48 ECB, *Climate-related financial disclosures of the ECB's non-monetary policy portfolios* (June 2025); *Climate-related financial disclosures of Eurosystem assets held for monetary policy purposes and of the ECB's foreign reserves* (June 2025).
- 49 BoE, *The Bank of England's climate-related financial disclosure 2025* (June 2025).
- 50 ECB, 'FAQ on the climate factor in the Eurosystem collateral framework' (accessed April 25, 2026).
- 51 ECB, *ECB Listens — Summary report of the ECB Listens Portal responses: Key Findings* (2021).
- 52 ECB, 'Asset Purchase Programmes' (accessed April 25, 2025).
- 53 BoE, *The Bank of England's climate-related financial disclosure 2025* (June 2025).
- 54 Ibid.
- 55 BoE, *Enhancing banks' and insurers' approaches to managing climate-related risks — Consultation paper 10/25* (Apr. 2025).
- 56 Positive Money, *Green Central Banking Scorecard 2024* (2024) at 30.
- 57 ECB, *Climate-related financial disclosures of the ECB's non-monetary policy portfolios* (June 2025) at 7-9, Table 2, & Chart 4.
- 58 BoC, *Disclosure of Climate-Related Risks 2024* (June 2025).
- 59 BoC and OSFI, *Using Scenario Analysis to Assess Climate Transition Risk, Final Report of the BoC-OSFI Climate Scenario Analysis Pilot* (2022).
- 60 Ibid, at FN 18, Chart 7 and 8; See also BoC, *Disclosure of climate-related financial risks 2025* (April 2026) at FN 3.
- 61 BoC and OSFI, *Using Scenario Analysis to Assess Climate Transition Risk, Final Report of the BoC-OSFI Climate Scenario Analysis Pilot* (2022).
- 62 BoC, *Disclosure of Climate-Related Risks 2024* (June 2025) at box 1.
- 63 OSFI, *The OSFI Story* (accessed Apr. 22, 2026).
- 64 OSFI, *Understanding Prudential Regulation in Canada* (accessed Apr. 22, 2026).
- 65 BoC and OSFI, *Using Scenario Analysis to Assess Climate Transition Risk, Final Report of the BoC-OSFI Climate Scenario Analysis Pilot* (2022).
- 66 OSFI, *Climate Risk Management Guideline B-15* (2023, updated 2025).
- 67 OSFI, *Standardized Climate Scenario Exercise* (2024).
- 68 OSFI, *Business Specifications for the Climate-Related Risk Returns for Deposit-Taking Institutions (DTIs)* (2025), and *Business Specifications for the Climate-Related Risk Returns for Insurers* (2025).
- 69 University of Exeter (Green Futures Solutions) and Carbon Tracker, *Recalibrating Climate Risk* (Feb. 2026).
- 70 APRA, *Mind the Gap: An Insurance Climate Vulnerability Assessment* (2026).
- 71 OSFI, *Strengthening Climate Risk Financial Resilience: Insights from the Standardized Climate Scenario Exercise* (Sept. 2025).
- 72 For example, the Government of Spain requires financial institutions to disclose how much their financing activities contribute to climate change (see: Field Fisher, *Spain's Climate Change Act 7/2021: Key points* (May 2021)).
- 73 European Commission, *Corporate sustainability reporting* (Dec. 2025).
- 74 IFRS, *Transition Plan Taskforce: Disclosure Framework* (Oct. 2023).
- 75 GFANZ, *Financial Institution Net-zero Transition Plans: Fundamentals, Recommendations, and Guidance* (Nov. 2022).
- 76 Grant Thornton, *Climate risk management — updated expectations from the PRA* (Jan. 2026).
- 77 A&L Goodbody, *Prudential transition plans under the Capital Requirements Directive* (Jul. 2025).
- 78 European Insurance and Occupational Pensions Authority (EIOPA), 'EIOPA recommends a dedicated prudential treatment for insurers' fossil fuel assets to cushion against transition risks' (Nov. 2024).

- 79 Green Central Banking, [ECB issues first ever climate risk fine to Spanish bank](#) (Nov. 2025).
- 80 OSFI, [Climate Risk Management Guideline B-15](#) (2023, updated March 2025).
- 81 OCA, [Actuarial Report \(31st\) on the Canada Pension Plan](#) (Dec. 2022).
- 82 OCA, [Actuarial Report \(32nd\) on the Canada Pension Plan](#) (Dec.2024) at 207-208.
- 83 OSFI, [Superintendent and Chief Actuary discuss pension plan ecosystem](#) (Nov. 2024).
- 84 BMKP Law, [OSFI Superintendent and Chief Actuary reflect on unique challenges associated with regulating pension plans](#) (Dec. 2024).
- 85 OCA, [Analysis of Climate Change Impact on the OCA's Assumption-Setting Process: Actuarial Study No. 24](#) (Jan. 2025).
- 86 SHIFT, [Shift warns Canada's Chief Actuary is severely underestimating climate risks to public pension plans](#) (August 2025); Shift, ['Statement: Canada's Chief Actuary continues to severely underestimate climate risks to the CPP'](#) (Dec. 2025).
- 87 CAPSA, [Guideline for Risk Management for Plan Administrators](#) (Sept. 2024).
- 88 OSFI, [OSFI Summarizes Responses to its Climate Risk Discussion Paper](#) (Oct. 2021).
- 89 OSFI, [Stress Testing Guideline for Plans with Defined Benefit Provisions](#) (2011).
- 90 UK FCA, [Sustainability reporting requirements](#) (Apr. 2021).
- 91 UK FCA, [Review of TCFD-aligned disclosures by premium listed commercial companies](#) (Jul. 2022).
- 92 ASIC, [ASIC urges businesses to prepare for mandatory climate reporting](#) (Sep. 2024).
- 93 UK Energy Security and Net Zero Committee, [Written evidence submitted by Carbon Tracker Initiative](#) (Feb. 2026).
- 94 OSC, [OSC announces allegations against Purpose Investments Inc. and Mr. Som Seif](#) (Sep. 2025).
- 95 UK FCA, [Climate reporting by asset managers, life insurers and FCA-regulated pension providers](#) (Aug. 2025).
- 96 ASIC, [ASIC's interventions on greenwashing misconduct: 2023–2024](#) (Aug. 2024).
- 97 University of Exeter (Green Futures Solutions) and Carbon Tracker, [Recalibrating Climate Risk](#) (Feb. 2026).
- 98 Ibid.
- 99 European Commission, [Corporate sustainability reporting](#) (Dec. 2025).
- 100 IFRS, [Transition Plan Taskforce: Disclosure Framework](#) (Oct. 2023).
- 101 GFANZ, [Financial Institution Net-zero Transition Plans: Fundamentals, Recommendations, and Guidance](#) (Nov. 2022).
- 102 Grant Thornton, [Climate risk management — updated expectations from the PRA](#) (Jan. 2026).
- 103 A&L Goodbody, [Prudential transition plans under the Capital Requirements Directive](#) (Jul. 2025).
- 104 EIOPA, ['EIOPA recommends a dedicated prudential treatment for insurers' fossil fuel assets to cushion against transition risks'](#) (Nov. 2024).
- 105 Green Central Banking, [ECB issues first ever climate risk fine to Spanish bank](#) (Nov. 2025).
- 106 U.S. Department of Treasury, U.S. Department of the Treasury and State Insurance Regulators Launch Coordinated Effort on Homeowners Insurance Data Collection to Assess the Effects of Climate Risk on U.S. Insurance Markets (March 2024).
- 107 APRA, [Mind the Gap: An Insurance Climate Vulnerability Assessment](#) (March 2026).
- 108 OSFI and AMF, [Strengthening Climate Risk Financial Resilience: Insights from the Standardized Climate Scenario Exercise](#) (Sept. 2025).
- 109 AMF, [Annual Statement of Priorities 2026-2027](#) (accessed Apr. 2026).
- 110 AMF, [Climate Risk Management Guideline](#) (July 2024; updated Dec. 2025), at 4.
- 111 AMF, [Standardized Climate Scenario Exercise \(SCSE\)](#) (accessed Apr. 2026).
- 112 AMF, [Climate Risk Management Guideline](#) (July 2024; updated Dec. 2025), at 11.
- 113 AMF, [CSA updates market on approach to climate-related and diversity-related disclosure projects](#) (Apr. 2025).
- 114 McCarthy Tetrault, [Quebec's Prudential Regulator Releases Climate Risk Management Guideline](#) (Jan. 2024).
- 115 Canada Climate Law Initiative, [Strengthening climate resilience in the financial services sector: A summary of our conversation with Québec's on its Climate Risk Management Guideline](#) (Apr. 2024).
- 116 AMF, [Annual Statement of Priorities 2026-2027](#) (accessed Apr. 2026).
- 117 AMF, [Climate Risk Management Guideline](#) (July 2024; updated Dec. 2025), at 10-11.
- 118 AMF, [2024-2025 Enforcement Report \(in French\)](#) (accessed Apr. 2026). Summary here: [AMF, Prosecutions and decisions](#) (accessed Apr. 2026).
- 119 AMF, [Climate change risks: Measures implemented to date by financial institutions](#) (June 2022).
- 120 I4PC, [Securities complaint asks for investigation into sustainable finance disclosures of Canadian banks](#) (Jan. 2024).
- 121 I4PC, [Our letter to the Quebec Securities Regulator regarding National and RBC's LNG thought pieces](#) (Oct. 2025).
- 122 Government of Ontario, [Securities Act, R.S.O. 1990, c. S.5](#), (Apr. 2026).
- 123 Canadian Legal Information Institute, [Securities Act, RSA 2000, c S-4](#), (Dec. 2025).
- 124 Canadian Legal Information Institute, [Securities Act, RSBC 1996, c 418](#) (Jan. 2024).

- 125 OSC, [About us](#) (Accessed Apr. 2026).
- 126 International Organization of Securities Commissions, [Statement on Disclosure of ESG Matters by Issuers](#) (Jan. 2019).
- 127 CSA, [CSA Terms of Reference](#) (May 2022).
- 128 CSA, [CSA Staff Notice 51-333](#) (Oct. 2010).
- 129 CSA, [CSA Staff Notice 51-354](#) (Apr. 2018).
- 130 CSA, [CSA Staff Notice 51-358](#) (Aug. 2019).
- 131 CSA, [CSA Staff Notice 51-364 Continuous Disclosure Review Program Activities for the fiscal years ended March 31, 2022 and March 31, 2021](#) (Nov. 2022).
- 132 CSA, [CSA Staff Notice 81-334 - ESG-Related Investment Fund Disclosure](#) (Jan. 2022).
- 133 OSC, [51-107 - Consultation Climate-related Disclosure Update and CSA Notice and Request for Comment Proposed National Instrument 51-107 Disclosure of Climate-related Matters](#) (Oct. 2021).
- 134 UK FCA, [Sustainability reporting requirements](#) (Apr. 2021).
- 135 UK FCA, [Review of TCFD-aligned disclosures by premium listed commercial companies](#) (Jul. 2022).
- 136 ASIC, [ASIC urges businesses to prepare for mandatory climate reporting](#) (Sep. 2024).
- 137 U.K. Energy Security and Net Zero Committee, [Written evidence submitted by Carbon Tracker Initiative](#) (Feb. 2026).
- 138 UK FCA, [Climate reporting by asset managers, life insurers and FCA-regulated pension providers](#) (Aug. 2025).
- 139 ASIC, [ASIC's interventions on greenwashing misconduct: 2023–2024](#) (Aug. 2024).
- 140 OSC, [Annual Report 2024-2025](#) (Feb. 2026).
- 141 OSC, [Strategic Plan 2024-2030](#) (May 2024).
- 142 OSC, [Insights on the OSC Staff's Approach to Sustainable Finance](#) (Oct. 2024).
- 143 BCSC, [CSA updates market on approach to climate-related and diversity-related disclosure projects](#) (Apr. 2025).
- 144 Linklaters, [UK SRS: FCA proposes mandatory climate disclosures from 2027, except for Scope 3 emissions, for which it is "comply-or-explain" from 2028](#) (Feb. 2026).
- 145 OSC, [OSC announces allegations against Purpose Investments Inc. and Mr. Som Seif](#) (Sep. 2025).
- 146 OSC, [Insights on the OSC Staff's Approach to Sustainable Finance](#) (Oct. 2024).
- 147 OSC, [A Behavioural Insights Analysis of the Effects of Environmental, Social, and Governance Factor \(ESG\) Disclosure and Advertising by Investment Funds on Retail Investors](#) (Accessed Apr. 2026).
- 148 Capital Markets Tribunal, [Proceedings](#) (Accessed Apr. 2026).
- 149 Capital Markets Tribunal, [Decisions in Brief](#) (Accessed Apr. 2026).
- 150 OSC, [Orders, rulings and decisions](#) (Accessed Apr. 2026).
- 151 ASC, [Energy Matters](#) (Dec. 2025).
- 152 *Ibid.*
- 153 The Legislative Assembly of Alberta, [Bill 12, Financial Statutes Amendment Act, 2025](#) (No. 2) (Oct. 2025).
- 154 ASC, [Energy Matters](#) (Dec. 2025).
- 155 *Ibid.*
- 156 Linklaters, [UK SRS: FCA proposes mandatory climate disclosures from 2027, except for Scope 3 emissions, for which it is "comply-or-explain" from 2028](#) (Feb. 2026).
- 157 ASC, [Energy Matters](#) (Dec. 2025).
- 158 ASC, [Notices, Decisions and Orders](#) (Accessed Apr. 2026).
- 159 BCSC, [2025/26 – 2027/28 Service Plan](#) (Mar. 2025).
- 160 BCSC, [CSA updates market on approach to climate-related and diversity-related disclosure projects](#) (Apr. 2025).
- 161 Linklaters, [UK SRS: FCA proposes mandatory climate disclosures from 2027, except for Scope 3 emissions, for which it is "comply-or-explain" from 2028](#) (Feb. 2026).
- 162 BCSC, [2025/26 – 2027/28 Service Plan](#) (Mar. 2025).
- 163 BCSC, [Hearings](#) (Accessed Apr. 2026).
- 164 BCSC, [Decisions](#) (Accessed Apr. 2026).
- 165 BCFSFA, [Natural Catastrophes and Climate-Related Risks](#) (July 2023).
- 166 FSRA, [Proposed Fiscal Year Statement of Priorities 2025-2026](#) (Nov. 2024).
- 167 CCIR, [Natural Catastrophes and Personal Property Insurance](#) (July 2016).
- 168 CCIR, [Climate Change, Natural Catastrophes and Consumer Awareness](#) (April 2023).
- 169 CCIR, [Strategic Plan](#) (May 2026).
- 170 University of Exeter (Green Futures Solutions) and Carbon Tracker, [Recalibrating Climate Risk](#) (Feb. 2026).
- 171 *Ibid.*
- 172 AMF, [Climate Risk Management Guideline](#) (July 2024; updated Dec. 2025) at Annex 1.
- 173 California Department of Insurance, [NAIC Climate Risk Disclosure Survey](#) (accessed May 2026).
- 174 IFRS, [Transition Plan Taskforce: Disclosure Framework](#) (Oct. 2023).
- 175 GFANZ, [Financial Institution Net-zero Transition Plans: Fundamentals, Recommendations, and Guidance](#) (Nov. 2022).
- 176 Grant Thornton, [Climate risk management — updated expectations from the PRA](#) (Jan. 2026).
- 177 Green Central Banking, [ECB begins applying capital charges to climate laggards](#) (Nov. 2022).
- 178 AMF, [Climate Risk Management Guideline](#) (July 2024; updated Dec. 2025).
- 179 EIOPA, ['EIOPA recommends a dedicated prudential treatment for insurers' fossil fuel assets to cushion against transition risks'](#) (Nov. 2024).
- 180 *Ibid.*

- 181 U.S. Department of Treasury, U.S. Department of the Treasury and State Insurance Regulators Launch Coordinated Effort on Homeowners Insurance Data Collection to Assess the Effects of Climate Risk on U.S. Insurance Markets (March 2024).
- 182 APRA, *Mind the Gap: An Insurance Climate Vulnerability Assessment* (2026).
- 183 BCFSA, *Natural Catastrophes and Climate-Related Risks*, Discussion Paper (July 2023).
- 184 Ibid.
- 185 Ibid.
- 186 BCFSA, *Regulatory Roadmap* (accessed April 27, 2026).
- 187 BCFSA, *BCFSA Hosts Financial Services Tabletop Crisis Preparedness Exercise* (July 2024).
- 188 BCFSA, *Releases Natural Catastrophe and Climate-Related Risk Consultation "What We Heard" Report* (July 2024).
- 189 BCFSA, *Regulatory Roadmap* (accessed April 27, 2026).
- 190 FSRA, *Proposed Fiscal Year Statement of Priorities 2025-2026* (accessed April 27, 2026).
- 191 FSRA, *Risk Based Supervisory Framework for Credit Unions; Operational Risk and Resilience Guidance* (accessed April 27, 2026). (Summary of feedback from the 2025-26 Statement of Priorities and Financial Plan consultation.
- 192 FSRA, Summary of feedback from the 2025-26 Statement of Priorities and Financial Plan consultation.
- 193 I4PC, *Our Complaint to Ontario Insurance Regulator* (July 2025).
- 194 FSRA, *Proposed Guidance: Operational Risk and Resilience Guidance*.
- 195 Insurance Business Mag, *Alberta hail insurance faces new pressures: regulator survey reveals shifts* (Sep. 2025).
- 196 Alberta Government, *Guideline 01-2026* (March, 2026).
- 197 CPAB, *2025-2027 strategic plan* (Accessed Apr. 2026).
- 198 CPAB, *Regulatory Assessments* (Accessed Apr. 2026).
- 199 International Auditing and Assurance Standards Board (IAASB), *The Consideration of Climate-Related Risks in an Audit of Financial Statement* (Oct. 2020); CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024).
- 200 IAASB, *The Consideration of Climate-Related Risks in an Audit of Financial Statement* (Oct. 2020).
- 201 International Accounting Standards Board (IASB), *IASB issues illustrative examples on reporting uncertainties in financial statements* (Nov. 2025).
- 202 Carbon Tracker, *Flying Blind: Disabling Autopilot for Audit Reports* (Apr. 2025); PwC Global, *Weathering the storm of reporting: factoring climate change into audited financial statements* (Sept. 2022).
- 203 See, for example: EY, *Independent Auditor's Report to the members of Shell plc* (Mar. 2026); Deloitte, *Independent auditor's report to the members of BP p.l.c.* (Mar. 2026).
- 204 I4PC, *Accounting for the Canadian Oil & Gas Liabilities Gap* (Nov. 2025); CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024); Australian Securities & Investments Commission, *ASIC sets financial reporting, audit and sustainability focus areas for FY 2026-27* (May 2026).
- 205 Financial Markets Authority, *Climate risks and the impact on financial statement audits* (Oct. 2022); Financial Reporting Council, *Letter to Heads of Audit: Role of the auditor in considering climate related risk* (Dec. 2022); Australian Securities & Investments Commission, *ASIC sets financial reporting, audit and sustainability focus areas for FY 2026-27* (May 2026).
- 206 CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024).
- 207 CPAB, *Rules* (Mar. 2025).
- 208 CPAB, *Public Inspection Reports* (Accessed Apr. 2026).
- 209 CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024).
- 210 CPAB, *Crypto*; CPAB, *Sustainability* (Accessed Apr. 2026).
- 211 CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024); CPAB, *CPAB responds to the ISSB Exposure Drafts IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures* (July 2022); CPAB, *CPAB responds to the International Sustainability Standards Board's (ISSB) Consultation on Agenda Priorities* (2023).
- 212 CPAB, *Rules* (Mar. 2025); CPAB, *Enforcement Actions* (Accessed Apr. 2026).
- 213 CPAB, *Impact of climate-related risks on financial statement audits* (Mar. 2024).
- 214 CPAB, *Sustainability* (Accessed Apr. 2026).
- 215 CPAB, *Public Inspection Reports* (Accessed Apr. 2026).
- 216 I4PC, *Auditor Gaps Put Canadian Oil and Gas Valuations In Question* (May 2025).