CIRI Canadian Investor Relations Institute

IR Issues Backgrounder

October 7, 2025

Issue: New Developments in Environmental, Social and Governance (ESG) Disclosure for Companies

Since CIRI's last Backgrounder on this topic in February 2025, the pace of new developments in the area of ESG standards and regulatory disclosure has slowed.

The most significant development has been the cessation of all progress by the U.S. Securities and Exchange Commission toward the development of climate disclosure rules for listed companies. With mandatory climate disclosures effectively ended, regulators in other jurisdictions, including Canada, have paused their own work on climate disclosures out of concern for competitiveness.

Going forward, this inactivity is expected to continue for the remainder of the term of the current U.S. President; however, Canadian investors continue to be interested in good quality ESG disclosure from issuers, as detailed in the research conducted by Millani.

Canadian Bill C-59 Greenwashing

- In June 2025, the Competition Bureau Canada issued final guidelines regarding environmental claims after two phases of consultation on the June 2024 additions to the Act. Learn more.
    - It also provided additional guidance on the meaning of "internationally recognized methodology," which the June 2024 amendments for greenwashing referred to. Learn more.

- Also on the subject of greenwashing,
    - In August 2025, Investors for Paris Compliance filed a greenwashing complaint with the Alberta Securities Commission, alleging two TSX-listed companies misled investors in their environmental disclosures. Learn more.
    - In September 2025, the Ontario Securities Commission filed a greenwashing-related enforcement action against an institutional money manager, alleging that Purpose Investments Inc. had made false or misleading statements about its consideration of ESG in its investment decision. Learn more.

Canadian Sustainability Standards Board (CSSB)

- In July 2025, CSSB published a free Guide on Adopting a Climate-first Approach in Sustainability Reporting to help companies adopt CSDS 1 and CSDS 2, which are CSSB's first two voluntary sustainability reporting standards for Canadian companies. Learn more
    - CSDS 1, General Requirements for Disclosure of Sustainability-related Financial Information
    - CSDS 2, Climate-related Disclosures

Canadian Securities Administrators (CSA) – new climate and diversity disclosure rules indefinitely delayed

- In April 2025, CSA announced it was "pausing" the development of both its new climate and diversity disclosure rules due to "recent developments in the U.S.," which have increased uncertainty and competitive concerns for Canadian issuers. Learn more.
    - The CSA had been expected to:
        - publish a revised climate-related disclosure rule for public consultation (NI 51-107) that considered the CSSB standards and included any modifications considered appropriate for the Canadian capital markets; and
        - issue final changes to NP 58-101 and NP 58-201 to update corporate governance

disclosure requirements on the diversity of Board and executive officers, as well as Board renewal and nomination practices for Canadian issuers.

The U.S. Securities and Exchange Commission (SEC) – new climate disclosure rules are dead

- In March 2025, the SEC announced it would no longer defend itself in the ongoing litigation against its March 2024 climate disclosure rules. This means these new rules are dead. Learn more.

Sustainability Accounting Standards Board (SASB)

- ISSB is undertaking a comprehensive review of priority SASB Standards and targeted amendments to the Industry-based Guidance on Implementing IFRS. In July 2025, it published two exposure drafts with feedback from stakeholders requested by November 30, 2025. Learn more.

International Sustainability Standards Board (ISSB)

- In June 2025, ISSB launched a free e-learning program on the IFRS S1 and IFRS S2 disclosure standards comprising four modules (approx. 4 hours). Learn more.
- In July 2025, ISSB published educational material to help companies understand the role of the ISSB industry-based guidance – which collectively refers to the SASB Standards and the Industry-based Guidance on Implementing IFRS S2 – when applying IFRS Sustainability Disclosure Standards (ISSB Standards). Learn more.
- **Climate**
    - ***Amendments to IFRS S2:*** In September 2025, ISSB decided to proceed with the proposed amendments to IFRS S2 Climate-related Disclosures, with some modifications in response to the feedback they received from their consultation process. This amended standard is expected to be published by the end of 2025 and will be effective on January 1, 2027.
    - ***GRI***: In June 2025, the Global Sustainability Standards Board (GSSB), which sets the GRI Standards, announced it had granted equivalence to IFRS S2 Climate-related Disclosures for entities preparing disclosures of greenhouse gas emissions in accordance with GRI 102: Climate Change 2025, the new climate standard issued by the GSSB. Learn more.
    - ***Transition Plans***: In July 2025, ISSB published guidance on disclosures about transition plans according to IFRS S2 and to build on the materials developed by the Transition Plan Taskforce. Learn more.
- In August 2025, ISSB published new material illustrating how companies applying ISSB Standards might disclose **anticipated financial effects** of their sustainability-related risks and opportunities. Learn more.
- **Biodiversity, ecosystems and ecosystem services (BEES)** – ISSB's research project on this continues as it considers whether it will develop a new disclosure standard on the topic. The relevance of the Taskforce on Nature-related Financial Disclosure (TNFD) is also being considered.
- **Human capital** – ISSB's research project on this continues as it considers whether it will develop a new disclosure standard on this topic.

Additional Resources

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For more information on this topic, contact:

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