

CSA Pauses Work on New Climate & Diversity Reporting Requirements

By Mardi McNaughton

On April 23, 2025, the Canadian Securities Administrators (**CSA**) issued a [news release](#) advising that it has paused the work it had previously undertaken to develop new climate and diversity-related disclosure requirements for Canadian issuers. The CSA indicated that the pause was warranted in order to support Canadian issuers given the evolving economic and geopolitical landscape.

"In recent months, the global economic and geopolitical landscape has rapidly and significantly changed, resulting in increased uncertainty and rising competitiveness concerns for Canadian issuers." – Stan Magidson, Chair of the CSA, Chair & CEO of the Alberta Securities Commission

Background

In June 2023, the International Sustainability Standards Board (**ISSB**) [issued](#) two new international financial reporting standards on climate and sustainability (**IFRS S1** and **IFRS S2**), and in December 2024, the Canadian Sustainability Standards Board (**CSSB**) [published](#) Canadian versions of the international standards (**CSDS 1** and **CSDS 2**). While the new standards were (and remain) voluntary, the CSA had previously [announced](#) that it intended to take the finalized CSSB standards into account and develop new Canadian climate-related disclosure requirements that would be mandatory for subject Canadian issuers.

Another initiative that the CSA has been working on is the development of new Canadian reporting requirements around diversity disclosure. On April 13, 2023, the CSA [issued](#) a notice and request for comment regarding proposed changes to diversity and board nomination and renewal disclosure rules and best practice guidelines for issuers listed on the Toronto Stock Exchange (and certain other senior stock exchanges).¹ The CSA proposed two potential versions of the new rules, with one being more prescriptive and the other being more flexible, in respect of what would be required to be disclosed.

Key Takeaways

While the CSA has paused its work in relation to new climate and diversity-related disclosure requirements for Canadian issuers, existing frameworks and rules remain in force.

The CSA noted that "[c]limate-related risks are a mainstream business issue and securities legislation already requires issuers to disclose material climate-related risks affecting their business in the same way that issuers are required to disclose other types of material information". While the CSSB standards will remain voluntary for the foreseeable future, the CSA noted that such standards continue to serve as useful tools that issuers may reference in developing any sustainability and climate-related disclosures.

The CSA also reminds issuers that when it comes to diversity-related disclosure, non-venture issuers are still required to provide disclosure related to the representation of women on their boards and executive teams, based on existing requirements.² For additional information, contact any member of our [Business Law Group](#).

¹ As provided in Form 58-101F1 *Corporate Governance Disclosure* (58-101F1) of National Instrument 58-101 *Disclosure of Corporate Governance Practices*; and National Policy 58-201 *Corporate Governance Guidelines*.

² As required by National Instrument 58-101 *Disclosure of Corporate Governance Practices*.