Building Canada's Taxonomy the Right Way: Insights from a Survey of Investors

A joint report by the Institute for Sustainable Finance (ISF) and the UN-Supported Principles for Responsible Investment (PRI)

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Executive Summary

Sustainable finance taxonomies are classification systems that help financial and non-financial actors identify which economic activities contribute to environmental and social objectives.

As the federal government advances the development of the Canadian taxonomy, this joint PRI–ISF survey captures investor perspectives on its design and implementation at a critical stage in building Canada's energy-secure and globally competitive future.

The survey included 22 questions across eight thematic sections (see *Appendix: Survey Questions*) and was distributed to 228 Canadian PRI signatory organizations and members of ISF networks. A **total of 33 responses** were received, representing a small, self-selected sample of primarily responsible investment–oriented practitioners; findings should therefore be interpreted as indicative rather than representative of the broader Canadian market.

Key findings[1]:

- Investors favour interoperability with jurisdictions such as Australia (27/33, 82%) and the EU (25/33, 76%), while reflecting Canada's distinct economic, social, and institutional realities.
- Approaches to taxonomies varied across respondents. While 48% (16/33) used internal taxonomies and 45% (15/33) relied on external frameworks, others were still developing one or had not yet adopted any taxonomy, signaling the absence of a single dominant approach in the market. Among those referencing external standards, the most frequently cited were the Climate Bonds Initiative Taxonomy, the EU Taxonomy, and the Singapore Taxonomy.
- Investors show a clear preference for practical and credible transition tools. A defined list of eligible transition activities is most supported (27/33, 82%), alongside time-bound phase-out mechanisms (23/33, 70%) and robust entity-level transition plans (22/33, 67%). Forward-looking performance thresholds (20/33, 61%) are also valued.
- Investors primarily see the taxonomy as a stewardship tool (30/33, 91%), supporting consistent engagement, voting, and escalation through clearer alignment criteria and transition thresholds. It is also widely viewed as useful for portfolio construction (25/33, 76%), informing allocation, tilting (adjustments to portfolio exposures), and risk assessment. More targeted uses, including screening (13/33, 39%) and credit decisions (11/33, 33%), remain relevant but less prominent.
- The absence of clear federal policy direction (28/32[2], 88%) is widely identified as the main barrier to implementing a taxonomy. Respondents also point to challenges related to credible transition pathways (11/32, 34%), data availability (11/32, 34%), and potential industry resistance (10/32, 31%).

The survey results suggest that technical design alone will not determine success. Respondents emphasized that clear federal endorsement, integration with disclosure and supervisory frameworks, and a credible and well-defined governance architecture could support market uptake.

[1] Some questions allowed multiple selections, so percentages may not total 100%.
[2] Only 32 responses were received for this question.

The report identifies a set of recommendations for the Canadian Climate Institute and the independent Taxonomy and Transition Planning Council[3] that lead the taxonomy development, reflecting the perspectives of survey respondents. It also offers additional considerations for key regulators and government bodies, including the Canadian Securities Administrators (CSA), the Office of the Superintendent of Financial Institutions (OSFI), and the Department of Finance Canada, to inform ongoing discussions on the taxonomy's development and implementation.

[3] Business Future Pathways. (2026). Inaugural Leadership of Canadian Sustainable Finance Taxonomy Announced.

1. Introduction and Purpose of the Report

Sustainable finance taxonomies are playing an increasingly important role in how capital markets interpret and operationalize climate and sustainability objectives. As Canada moves toward establishing its own framework, with ongoing work led by the Canadian Climate Institute to set an initial categorization system for priority sectors by the end of 2026[4], this report presents findings from a joint PRI–ISF investor survey intended to inform the development of a credible, decision-useful, and internationally comparable Canadian taxonomy. The survey explores investor views on the taxonomy's core objectives, interoperability, transition design features, implementation barriers, and likely use cases in the Canadian context.

The report is informed by the Taxonomy Roadmap Initiative's 2025 publication, titled *Roadmap for Advancing Interoperability and Comparability of Sustainable Finance Taxonomies,*[5] and by evolving market practice across jurisdictions.

For long-term investors, the key questions regarding a taxonomy extend beyond technical design. These include whether taxonomies have influenced capital allocation toward transition activities at scale, and whether they have contributed to measurable real-economy emissions reductions. This report does not seek to answer these questions conclusively. Instead, its purpose is to provide evidence on how a group of Canadian market participants with direct working knowledge of sustainable finance and taxonomy frameworks views the role, design features, and implementation conditions of a Canadian taxonomy. The findings should therefore be interpreted as indicative of informed practitioner perspectives rather than a statistically representative measure of broader Canadian market sentiment.

A Canadian taxonomy is an enabling tool, but it cannot deliver emissions reductions or any economic benefits on its own. It can improve comparability, support stewardship and portfolio analysis, help reduce greenwashing, and provide a more consistent reference point for disclosures and sustainable finance products. However, in practice, any real economy impact will depend on the surrounding policy architecture, including transition pathways, disclosure frameworks, regulatory signals, and broader incentives shaping capital allocation.

The report also cautions that a taxonomy, if poorly designed or narrowly interpreted, could concentrate capital in labelled assets without meaningful emissions impact, disadvantage high-emitting or regionally significant sectors during transition, create compliance burdens for smaller issuers, and encourage stakeholders to treat taxonomy alignment as a substitute for broader transition performance assessment.

Against this backdrop, the purpose of this report is to provide insights based on survey responses for policymakers, regulators, and taxonomy developers on how investors view the potential structuring and implementation of a Canadian taxonomy.

1.1 The Case for a Canadian Green and Transition Finance Taxonomy

Canada's sustainable finance market has continued to grow in recent years, despite broader volatility and debate surrounding ESG topics and policies. In 2024, issuance of green, social, sustainability, and sustainability-linked bonds reached a record US$25.08 billion, representing a year-over-year increase of 68.5%, driven in large part by repeat issuers and continued investor demand for sustainable assets.[6]

[4] Department of Finance Canada. (2025). Government announces next steps toward made-in-Canada sustainable investment guidelines.
[5] UNEP FI. (2025). Principles for Taxonomy Interoperability.
[6] ISF. (2025). The Canadian Sustainable Bond Market Report: Second Edition.

At the same time, work has continued to advance climate- and sustainability-related disclosures, including through the development of voluntary Canadian Sustainability Disclosure Standards.[7] While uptake remains voluntary and no timeline for implementing mandatory disclosures has been set, these standards represent meaningful progress toward a more consistent disclosure landscape.

Despite this progress, the absence of a nationally endorsed sustainable finance taxonomy continues to create uncertainty around definitions, comparability, and credibility. This is particularly evident in transition finance. While green activities are generally easier to identify, there is less clarity around what should qualify as a credible transition investment in high-emitting sectors. In practice, financial institutions in Canada have begun developing internal approaches and drawing on external frameworks. However, differences across these approaches can create friction and may limit both scale and consistency in the market.[8]

A Canadian taxonomy could help provide clearer guidance for capital allocation across priority sectors such as electricity, transportation, buildings, agriculture and forestry, and heavy industry.[9] These sectors are central to Canada's net-zero pathway due to their emissions profile, economic importance, and investment needs.

Recognizing this, the Sustainable Finance Action Council, established in 2021 and composed of major Canadian financial institutions, developed initial recommendations through its Taxonomy Roadmap Report.[10] Federal Budget 2025 reaffirmed support for the arm's-length development of a Canadian taxonomy by the end of 2026.[11] The Canadian Climate Institute, working with Business Future Pathways, has helped to establish an independent governance structure led by a newly appointed Taxonomy Council[12], supported by advisory groups representing financial, academic, civil society, and Indigenous rightsholders.

1.2 Sustainable Finance Taxonomies as a Common Language

Sustainable finance taxonomies are classification systems that help financial and non-financial actors identify which economic activities contribute to environmental and social objectives. Their primary purpose is to improve clarity, comparability, and credibility in sustainable finance markets by establishing transparent, science-based criteria for what qualifies as environmentally sustainable or transition-aligned activity.

The PRI has consistently positioned taxonomies as enabling tools, not ends in themselves. In its responses to global consultations, it has emphasized that well-designed taxonomies can:

- support investor capital allocation and risk management;
- strengthen the integrity of sustainable investment products;
- reduce greenwashing risks; and
- provide a shared reference point for issuers, intermediaries, and regulators.[13]

[7] Canadian Sustainability Standards Board (CSSB). https://www.frascanada.ca/en/cssb
[8] ISF & Accounting for Sustainability. (2025). The Transition Finance Playbook.
[9] Department of Finance Canada. (2024). Government advances Made-in-Canada sustainable investment guidelines to accelerate progress to net-zero emissions by 2050.
[10] Sustainable Finance Action Council. (2022). Taxonomy Roadmap Report.
[11] Government of Canada. (2025). Budget 2025: Section 1.3 Canada's Climate Competitiveness Strategy.
[12] Business Future Pathways. (2026). Inaugural Leadership of Canadian Sustainable Finance Taxonomy Announced.
[13] PRI. (2025). PRI reaction to European Commission's revision of the SFDR.

Similarly, ISF has emphasized that any Canadian taxonomy should provide decision-useful signals to capital markets while reflecting Canada's economic structure and transition pathways.[14] In practice, taxonomies function as a common language between the real economy and financial markets by translating climate and sustainability objectives into decision-useful metrics. For example, rather than relying on a company's claim that it "supports the energy transition," an investor could point to verifiable figures such as "20% of its revenue is taxonomy-aligned." The shift from narratives to numbers makes a taxonomy powerful for financial decision-making, including assessments of revenues, capital expenditure, and use-of-proceeds.

Because taxonomies are shaped by national priorities, policy environments, and economic structures, they will not be identical across jurisdictions. However, where they share core design features, including common objectives, substantial contribution and "do no significant harm" criteria, minimum safeguards, and broadly comparable sector classifications, they can still support a coherent reference framework for market participants operating across borders.

1.3 Defining Interoperability in Sustainable Finance

As sustainable finance taxonomies continue to develop across jurisdictions, interoperability (the ability to work together with other taxonomies) has become an increasingly important policy consideration. Although taxonomies necessarily reflect domestic priorities and transition pathways, investors, issuers, and financial products operate across borders. Where frameworks differ too sharply, comparability can be reduced, compliance costs can increase, and cross-border capital allocation may become more complex.

Interoperability does not require taxonomies to be identical. Rather, it refers to the extent to which different frameworks can be compared, mapped, and used alongside one another in ways that improve usability and reduce unnecessary fragmentation. The Taxonomy Roadmap Initiative's *Principles for Taxonomy Interoperability* suggest that interoperability depends on several core features, including common objectives, comparable architecture, transparent governance, clarity of use case, and practical mapping tools.

- **Common objectives:** Similar environmental goals and scientific foundations.
- **Comparable architecture:** Similar core design features and screening logic.
- **Transparent governance:** Clear, credible, and regularly updated processes.
- **Clarity of use case:** Clearly defined purpose, such as disclosure or labelling.
- **Mapping tools:** Practical ways to identify overlaps and differences.

It is also helpful to distinguish interoperability from **mutual recognition**. Mutual recognition would mean that an activity, product, or label aligned with one jurisdiction's taxonomy is formally accepted as compliant in another. Interoperability is narrower. It supports structured comparability between frameworks without requiring formal equivalence. In that sense, mutual recognition is a matter of regulatory acceptance, while interoperability is primarily about usability and comparison.

The policy objective is therefore not global uniformity, but sufficient coherence to support cross-border markets. Jurisdictions may tailor taxonomies to domestic transition needs while maintaining enough alignment to preserve comparability and usefulness for international market participants.

[14] ISF. (2022). Canada's Transition & Green Taxonomy for Sustainable Finance. Insights from a Review of Industry Publications.

1.4 Risks of Fragmentation and Misalignment

The expansion of taxonomies across jurisdictions creates both opportunities and risks. Today, more than 50 national or regional taxonomies are in use or under development globally, underscoring the momentum behind sustainable finance classification systems.[15] Where frameworks diverge without clear justification, the result may be higher transaction and compliance costs for multinational issuers and investors, greater confusion around the distinction between green and transition activities, increased scope for regulatory arbitrage, and weaker confidence in sustainable finance markets.

In the Canadian context, divergence that is not clearly justified could limit comparability, increase investor friction, and reduce the attractiveness of Canadian sustainable assets to international capital. At the same time, excessive convergence that does not account for national context, including Indigenous rights, energy security, or sector-specific transition pathways, could limit its effectiveness in supporting Canadian priorities.

The policy challenge is therefore **not to maximize uniformity, but to achieve a balanced approach that ensures consistency with international frameworks while reflecting the domestic context.** A Canadian taxonomy will need to be scientifically credible, decision-useful for investors, and sufficiently interoperable to support global capital flows, while remaining responsive to domestic realities and priorities.

2. Methodology and Respondent Overview

2.1 Survey Design and Distribution

The joint survey conducted by PRI and ISF was designed to capture investor perspectives relevant to the development of a credible and internationally comparable Canadian taxonomy. It was informed by the *Principles for Taxonomy Interoperability* published by the Taxonomy Roadmap Initiative in November 2025 and incorporated these concepts to assess views on interoperability, core objectives, and minimum design features in the Canadian context.

The survey consisted of **22 questions organized across eight thematic sections** and required approximately 15 minutes to complete. It was distributed through the PRI's monthly newsletter to 228 Canadian PRI signatory organizations and through direct outreach within ISF's network of Canadian investors, financial intermediaries, and service providers.

Several limitations should be noted when interpreting the findings of this report. The survey drew on a relatively small and non-random sample of 33 self-selected respondents from PRI signatories, a community already oriented toward responsible investment.

As a result, the findings are best understood as **indicative of informed practitioner perspectives rather than a statistically representative measure of broader Canadian market sentiment**. Participation was voluntary and may therefore reflect the views of stakeholders **already more engaged** in sustainable finance and taxonomy development.

Although distribution was coordinated across channels, some overlap in institutional representation may have occurred. Responses were analyzed anonymously at the individual level. Some questions allowed

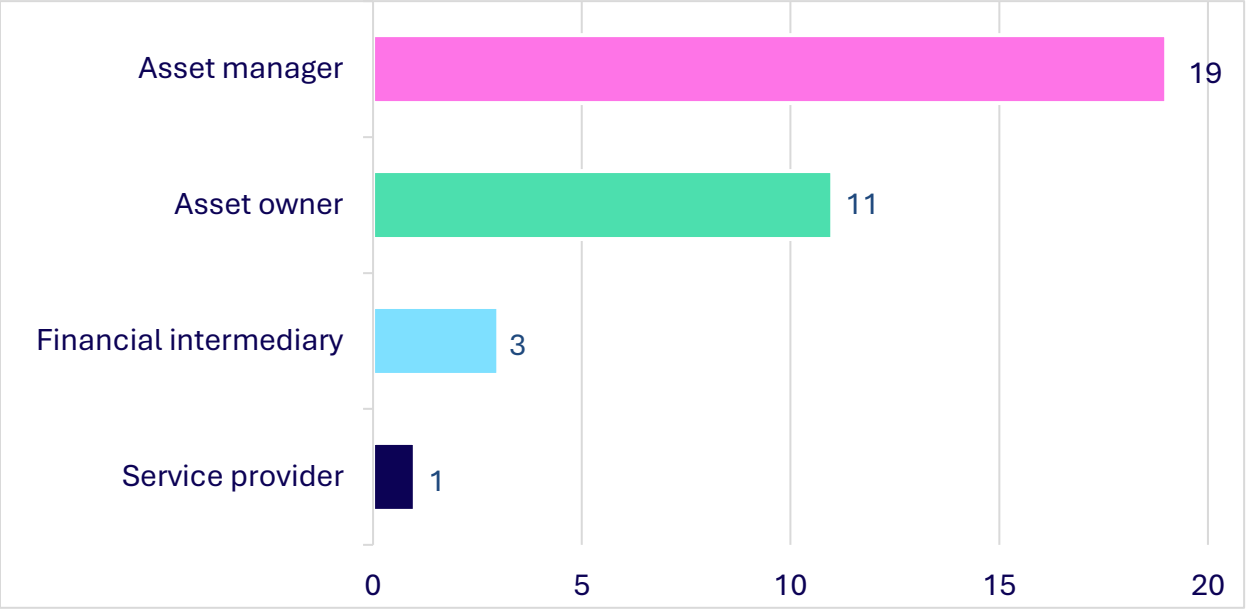
[15] CBI. (2026). World of Taxonomies.

multiple selections, **so percentages may not total 100%.** Response counts also vary across questions because **completion of each item was not mandatory.**

2.2 Respondent Profile and Current Approaches

All 33 respondents were affiliated with PRI signatory institutions. The sample consisted primarily of 19 asset managers and 11 asset owners, with a smaller representation from financial intermediaries (e.g., banks and investment banks) and service providers.

Figure 1. Respondent profile by organization type (n=33)



Notes: Respondents could select more than one organization type.

Respondents were also relatively senior. 14 individuals identified as Senior Analysts or Managers, 13 as Directors, 3 as Managing Directors, 2 as Associates or Analysts, and 1 as C-suite. Most participants were directly engaged in sustainable finance functions. ESG or Responsible Investment was the most commonly cited primary area of responsibility (76%, 25/33), followed by Portfolio Management (21%,7/33) and Policy or Government Relations (9%, 3/33).

In terms of geographic reach, most respondents (29/33) represent organizations headquartered in Canada, with two in the United States, one in Europe, and one in the Asia-Pacific region. The vast majority of respondents reported investment or operational activity in Canada (32/33) and the United States (26/33). Fewer reported activity in Europe (12/33), Asia-Pacific (4/33), and other markets (4/33), such as Latin America.

Respondents took a range of approaches: 48% (16/33) used internal taxonomies, 45% (15/33) relied on external frameworks, and the remainder were either developing one or not yet using any, underscoring the **absence of a single dominant market standard**. Among those using external standards, the most cited were the **Climate Bonds Taxonomy, the EU Taxonomy, and the Singapore Taxonomy.** Respondents cited the Singapore taxonomy's traffic-light system as a notable example of moving beyond a binary green or not-green classification and embedding transition activities as a distinct and credible category.

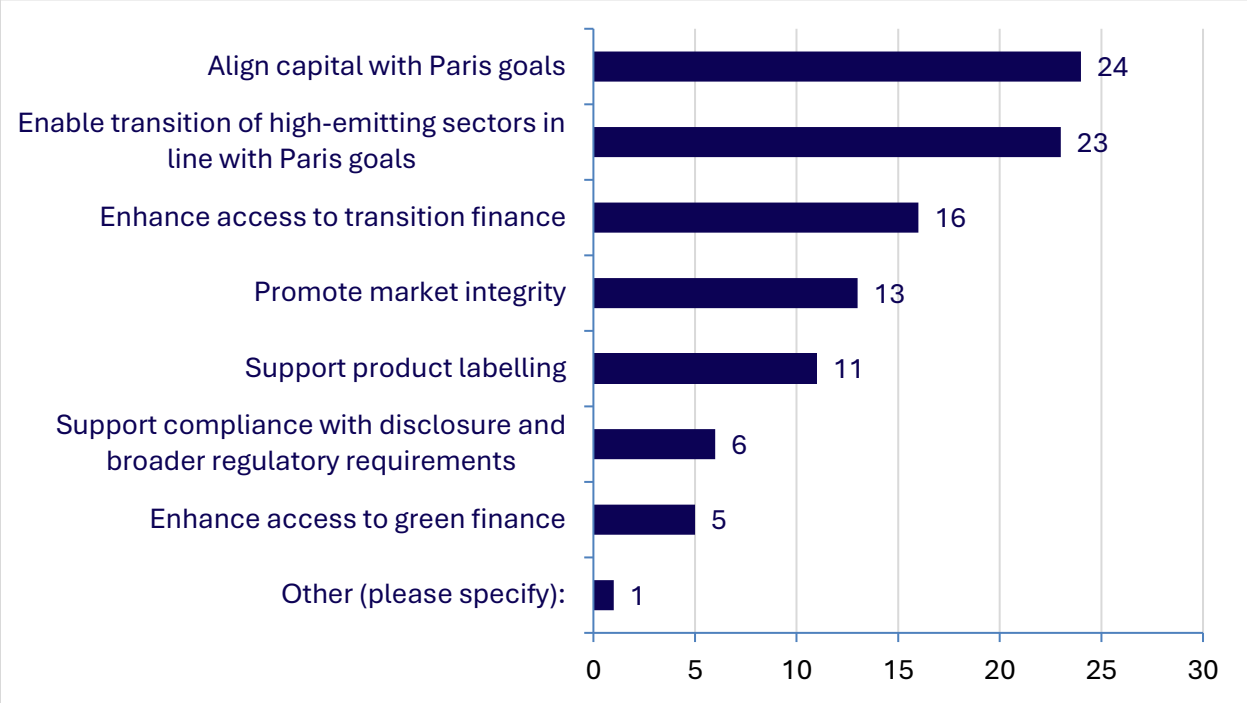
3. Survey Findings

3.1 Core Taxonomy Objectives

Survey responses indicate broad support for a Canadian taxonomy designed to support credible decarbonization in alignment with the Paris Agreement. The most frequently identified objectives were **aligning capital with the goals of the Paris Agreement** (24/33, 73%), enabling the **transition of high-emitting sectors** in line with these pathways (23/33, 70%), and improving **access to transition finance** (16/33, 48%). These were followed by **promoting market integrity** (13/33, 39%) and **supporting product labelling** (11/33, 33%).

It is also worth noting that some objectives, particularly Paris-aligned capital allocation, cannot be delivered by a taxonomy in isolation. These outcomes require a supporting architecture of policy and supervision working in concert (see 3.6 Primary Barrier to Implementation: Lack of Clear Policy Direction).

Figure 2. Respondents' views on the primary objective of Canada's taxonomy (n=33)



Notes: Respondents were asked to select their top three objectives; therefore, totals exceed 100%.

When asked separately about important design features for supporting both domestic usability and international interoperability, respondents identified the inclusion of the **"do no significant harm" (DNSH) principle** and **minimum social safeguards** (26/33, 79%), as well as alignment with Paris Agreement pathways (25/33, 76%), as important design features for the taxonomy.

At the same time, respondents indicated that these safeguards should be clear and operationally practical to apply. Open-text responses suggested that DNSH criteria should be sufficiently robust to maintain credibility, while also being tailored to the Canadian context to avoid undue complexity. Respondents stressed that the criteria "should clearly address Indigenous Peoples while remaining simple, clear,

principles-based and usable in practice. Otherwise, it risks becoming an administrative or legal burden that undermines uptake." As another respondent put it from an investment perspective, "DNSH must also help answer the core credit question of whether an asset will remain viable and refinanceable over the relevant time horizon."

3.2 Balancing Interoperability with Domestic Context

The survey findings suggest that respondents view interoperability as an **important consideration** for a Canadian taxonomy, but **not as an objective that should override domestic context.**

When asked which criteria they consider most important when determining which international taxonomies Canada should align or interoperate with, respondents most strongly associated alignment with jurisdictions with similar economic structures and transition pathways, particularly resource-based economies (28/33, 85%). Respondents also identified the scale and relevance of capital markets as an important criterion (23/33, 70%), including the presence of large institutional investor bases, sustainable investment mandates, and active sustainable debt markets.

At the same time, respondents were clear that interoperability should not come at the expense of domestic legitimacy. A large majority indicated that considerations such as Indigenous rights, national and regional energy needs, and energy security should take precedence where necessary (31/33, 94%). Material differences in sectoral transition pathways were also seen as a legitimate basis for divergence (22/33, 67%).

The **emphasis on Indigenous rights** was particularly pointed. As one asset owner explained in the survey response, "a taxonomy must meaningfully reflect this reality: failures to account for First Nations, Métis and Inuit rights can lead to costly, resource-intensive litigation and significantly amplify reputational risk."

These findings reflect a genuine tension that the taxonomy will need to navigate. Full alignment with other jurisdictions may not always be achievable, and in some cases, may not be desirable. A Canadian taxonomy that defers entirely to international classifications risks excluding activities that are central to Canada's national interest priorities; one that diverges too far risks losing credibility with the global investors Canada is trying to attract.

The findings suggest that respondents understand this balance: they support a Canadian taxonomy that is structured to enable comparison with other major frameworks, while retaining flexibility to reflect Canada's distinct economic, social, and institutional realities. Where divergence is necessary, it should be justified and communicated transparently.

Box 1. Understanding Mutual Recognition and Interoperability

In our survey, 58% (19/33) of respondents expressed support for mutual recognition between Canada's taxonomy and other jurisdictions (e.g., EU, Australia, Singapore), provided that core design principles are aligned, even where technical thresholds differ slightly. This suggests that many investors prioritize alignment in underlying objectives and shared safeguards over strict numerical harmonization, so long as credibility is maintained.

To date, however, there is no formal mutual recognition between major sustainable finance taxonomies. In practice, most jurisdictions have focused instead on improving comparability through interoperability.

The Multi-Jurisdiction Common Ground Taxonomy (M-CGT), released at COP29 in November 2024, offers the clearest example of this approach in action. Developed jointly by the European Commission, the People's Bank of China, and the Monetary Authority of Singapore under the International Platform on Sustainable Finance, the M-CGT covers 110 activities across eight focus sectors.[16] The exercise found that 60% of common activities were clearly defined across manufacturing, transportation, water and waste sectors.[17]

For Canada, the M-CGT offers a practical model worth considering early. While the Canada taxonomy is still in development, there is an opportunity to build interoperability in from the start. The M-CGT has also been designed to accommodate additional jurisdictions over time, meaning Canada could potentially align with this growing reference point as it finalizes its own framework.

3.3 Priority Jurisdictions for Interoperability

Australia (27/33, 82%) and the **EU (25/33, 76%)** were identified as the two highest-priority jurisdictions for interoperability.

The EU taxonomy is among the earliest and most established taxonomy frameworks, developed within one of the world's most advanced sustainable finance markets. In addition, 12 of 33 respondents (36%) indicated that Europe is among the primary markets in which their organizations operate or invest. These factors help explain why the EU was identified as a priority jurisdiction.

Although Australia's taxonomy was only launched in June 2025, it appears to have gained attention among Canadian investors[18]. Given the **similarities between the Canadian and Australian economies**, 24% (8/33) of respondents indicated that interoperability with Australia should be a high priority, while 58% (19/33) viewed it as one of several priorities.

Respondents identified several reasons why Australia may be a useful point of comparison for Canada. These included similarities in economic structure, the importance of high-emitting and capital-intensive sectors, and Australia's more explicit treatment of transition activities through forward-looking, pathway-based criteria. One respondent indicated in the survey response that, "Australia's approach demonstrates the importance of broad sector coverage and clear usability for both issuers and investors, which helps [the] taxonomy to function as a practical tool for CapEx, stewardship, and risk assessment."

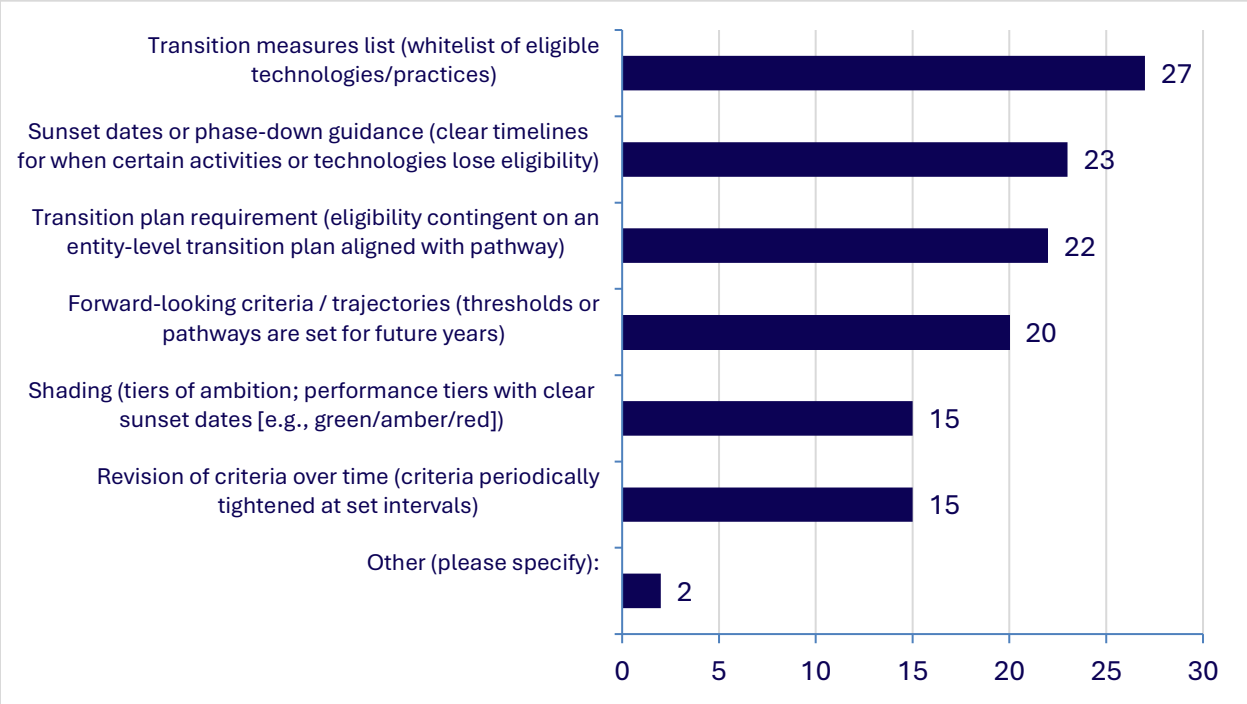
[16] The International Platform on Sustainable Finance (IPSF). (2024). The International Platform on Sustainable Finance presents the Multi-Jurisdiction Common Ground Taxonomy to enhance interoperability of taxonomies across EU, China and Singapore.
[17] IPSF. (2024). Multi-Jurisdiction Common Ground Taxonomy.
[18] ASFI. (2025). Australian Sustainable Finance Taxonomy.

Respondents also noted the inclusion of minimum social safeguards, including corporate governance, human rights, First Nations rights, and cultural heritage, as features of particular relevance in the Canadian context.

3.4 Transition Design Features

Respondents expressed strong support for practical, time-bound, and clearly defined transition design features and approaches. The survey response options were informed by the transition mechanisms outlined in the Climate Bonds Initiative's report[19], consistent with emerging international approaches to transition taxonomy design.

Figure 3. Respondents' preferences for transition design features in Canada's taxonomy (n=33)



Notes: Respondents were asked to select all options that apply; therefore, totals exceed 100%.

The most widely endorsed option was the inclusion of a **transition measures list** (27/33, 82%), essentially a clearly defined list of eligible technologies and assets that contribute to emissions reduction. A transition measure list could provide a practical entry point for implementation, be easier to use, and require less data than more complex eligibility approaches.[20]

Clear sunset dates or phase-down guidance were also prioritized (23/33, 70%). These time-bound features set a clear timeline for when a technology, asset, or activity would no longer be recognized within the taxonomy. Phase-down guidance could also be tailored to specific industries to define credible timelines for a managed transition. These time limits make it clear that transition status is only temporary.

Entity-level transition plans aligned with credible decarbonization pathways were also identified as important by 22 of 33 respondents (67%). This underscores the growing emphasis on practical guidance to help companies translate climate ambition into credible, investor-aligned strategies. Initiatives such as the

[19] CBI. (2025). Transition in Taxonomies.
[20] CBI. (2025). Transition in Taxonomies.

Business Future Pathways are developing practical, internationally aligned, and investor-endorsed guidance to support Canadian companies in advancing credible transition planning.

Many respondents also supported the use of **forward-looking trajectories and performance thresholds** to guide long-term eligibility (20/33, 61%). **A tiered shading system** to reflect varying levels of alignment received moderate support (15/33, 45%). This concept allows for multiple levels of ambition to reflect different starting points and degrees of progress toward climate alignment. **Periodic revisions of technical criteria** to maintain relevance over time saw similar levels of support (15/33, 45%).

It should be noted, however, that the simplicity in some design features, such as the transition measure list, involves a **trade-off**: a taxonomy calibrated for accessibility may reduce the depth of analysis available to investment decision-makers, and this tension should be actively managed as adoption scales.

Most jurisdictions combine multiple transition design features rather than relying on a single approach to balance accessibility with decision-making quality.

Box 2. Australian Taxonomy

The **Australian Sustainable Finance Taxonomy** integrates many of the design features discussed above. For example, there are two types of transition classifications in the Australian Taxonomy: decarbonization measures and transition criteria. (see **Table 1**)

Decarbonization measures include eligible technologies, processes, materials, and services that improve emissions performance and support progress toward green thresholds. Importantly, measures do not cover the whole business activity. For example, in air transport, the purchase and use of sustainable aviation fuel (SAF) is considered a decarbonization measure. This approach is intended to support financing for the decarbonization of existing long-lived assets while maintaining a pathway toward stronger alignment over time.

In limited cases, **transition criteria** may apply to an existing activity as a whole where it is assessed as capable of reaching green alignment in the short to medium term. In such cases, a sunset date may be applied, after which the activity would need to meet full green criteria to remain aligned. For example, in the building sector, the acquisition and ownership of a building may qualify as a transition activity if it meets emissions intensity thresholds, but only until the sunset date of 1 July 2031, after which it must meet the stricter green criteria to remain taxonomy-aligned.

Although Australia does not mandate transition plans, it places considerable emphasis on them as part of a credible transition framework.

Table 1. Types of transition classification in the Australian Sustainable Finance Taxonomy

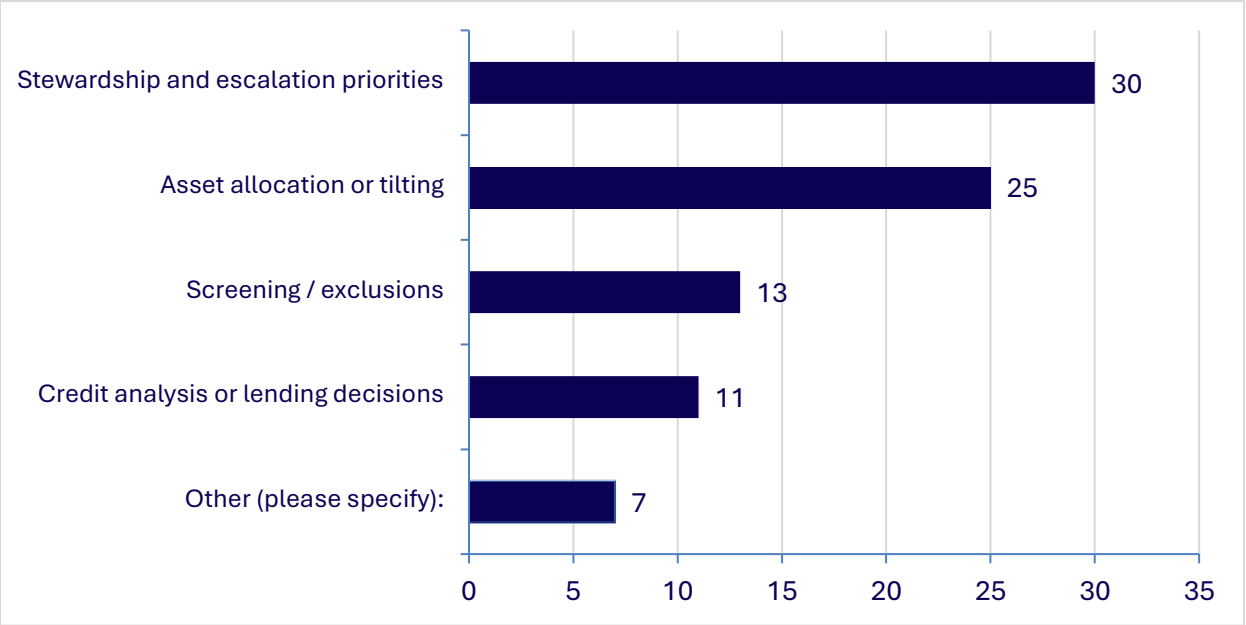
Decarbonisation measures	• Decarbonisation measures include eligible technologies, processes, practices, materials and/or services that improve the emissions performance of an activity, bringing it into closer alignment with green performance thresholds. These measures are included where components of the activity can be partially or fully substituted to materially reduce Scope 1 and/or 2 emissions. They do not make the whole activity green. • The purpose of decarbonisation measures is to ensure there are opportunities for entities to access finance to decarbonise existing long-life activities (i.e. assets and facilities) and move toward 1.5°C aligned performance. • Where whole existing activities do not meet the green criteria, the entity will be eligible to access decarbonisation measures to reduce the emissions associated with the activity. • Decarbonisation measures can be reported as taxonomy-aligned capital expenditures (CapEx) or operational expenditures (OpEx), but not as revenue. • Additionally, certain measures include a materiality threshold, which stipulates the scale at which a measure must be applied to be considered taxonomy-aligned.
Transition criteria (whole activity)	• In limited cases, transition criteria are included for a whole existing activity where an assessment is made that it can feasibly reach alignment with the green criteria in the short to medium term. • In these instances, a sunset date on the transition criteria is generally applied, after which the activity must meet the green criteria to remain taxonomy-aligned. • Transition criteria for whole activities include emissions performance and/or materiality requirements. • Transition criteria for whole activities are only currently included in the Construction and Buildings sector.

Source: Australian Sustainable Finance Taxonomy Version 1, 2025

3.5 Potential Use Cases for a Canadian Taxonomy

Respondents were asked how they expect to use a Canadian taxonomy in day-to-day investment decisions. The results suggest a clear hierarchy of intended use cases, with stewardship and portfolio allocation emerging as the most commonly identified applications.

Figure 4. How respondents expect to use the Canadian taxonomy (n=33)



Notes: Respondents were asked to select all options that apply; therefore, totals exceed 100%.

3.5.1 Stewardship and Escalation Priorities

The most frequently selected use case was stewardship and escalation priorities, identified by 91% (30/33) of respondents. This suggests that many investors would expect the taxonomy to support engagement with portfolio companies by providing a more consistent basis for assessing alignment, transition progress, and escalation thresholds.

This result is consistent with current responsible investment practice, in which stewardship is often one of the most immediate tools available to investors across existing holdings. In this context, a taxonomy may help support greater consistency in engagement expectations, voting rationales, and escalation approaches by providing clearer definitions and thresholds.

This potential use case reflects market maturity rather than limited ambition. Stewardship and portfolio tilting are typically the first points of integration for new frameworks, particularly where data and methodologies are still developing. These channels are also key mechanisms through which investors influence capital allocation over time. From a design perspective, this indicates that investors may benefit from a taxonomy that includes clear technical criteria, credible transition parameters, and a process for updating thresholds over time.

3.5.2 Asset Allocation and Tilting

Asset allocation or tilting was the second most frequently selected use case, identified by 76% (25/33) of respondents. This suggests that respondents also see value in using taxonomy alignment at the portfolio level to inform exposure decisions, thematic strategies, and internal tracking.

Open-text responses further reflected this perspective, with some respondents referencing green and transition investment identification, progress tracking, target setting, portfolio-level risk assessment, and scenario analysis. Overall, these responses suggest that some investors may view the taxonomy not only as a disclosure or labelling tool, but also as a practical input into portfolio construction and monitoring.

3.5.3 Screening and Credit Applications

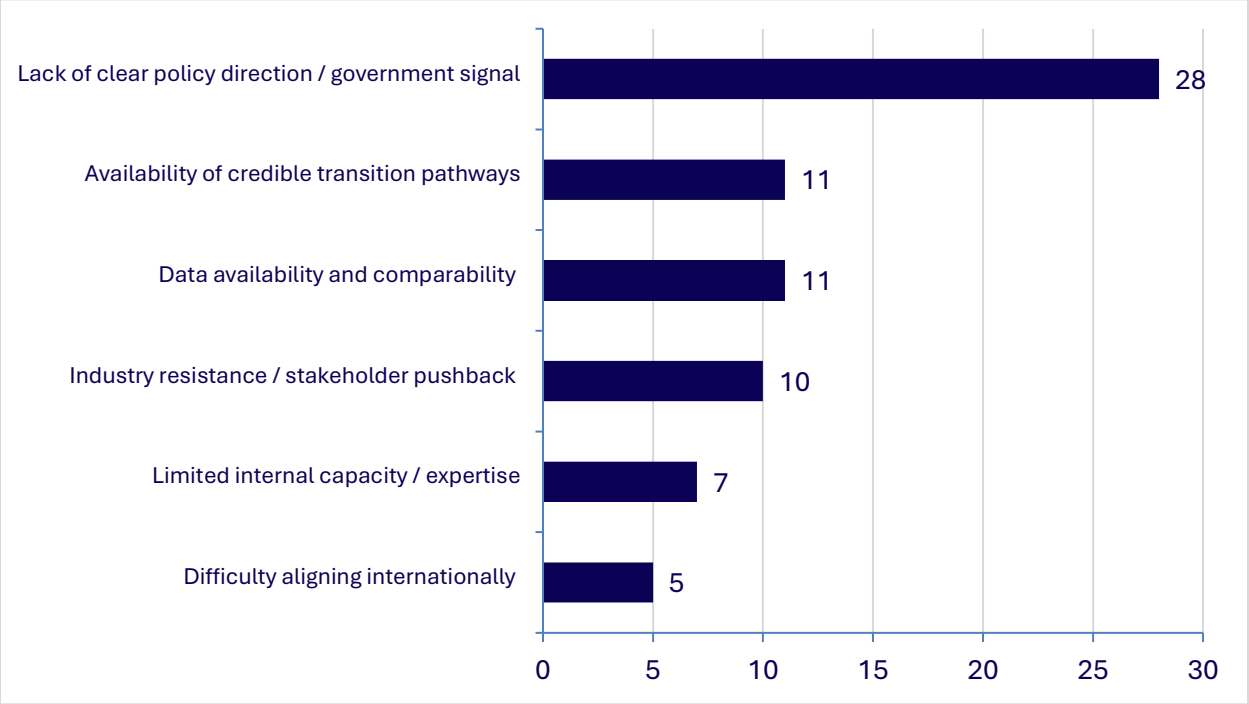
More targeted applications were identified less frequently but remain relevant. Screening and exclusions were selected by 39% (13/33) of respondents, while credit analysis and lending decisions were selected by 33% (11/33). These responses suggest that some investors may use the taxonomy to inform more consistent approaches to investment selection, exclusions and aspects of credit analysis and underwriting. This may include determining which activities are eligible for sustainable investment strategies and assessing transition credibility.

At the same time, the lower uptake in credit analysis and lending decisions compared to other use cases may point to an implementation gap, its limited use in actual financing decisions. Some respondents noted that this may reflect a need for clearer guidance on how taxonomy alignment could be considered within credit risk assessment, loan structuring, and pricing, alongside broader market development to support adoption.

As such, early use cases such as engagement and product labelling can be understood as potential entry points within a broader adoption pathway, rather than the endpoint of the taxonomy's potential applications.

3.6 Primary Barrier to Implementation: Lack of Clear Policy Direction

Figure 5. What respondents view as primary barriers to implementing a taxonomy (n=32)



Notes: Respondents were asked to select all options that apply; therefore, totals exceed 100%.

Survey results suggest that the **absence of clear federal policy direction** is viewed by respondents as a key barrier to the implementation of a Canadian sustainable finance taxonomy. A large majority of respondents (87.5%, 28/32) identified a **lack of government signal** as a key obstacle. This indicates that respondents view policy clarity as an important factor influencing market confidence and potential uptake.

Several open-text responses indicate that, in the absence of visible federal endorsement, there may be uncertainty about the taxonomy's intended status within Canada's sustainable finance framework. For instance, one respondent shared, "Voluntary approaches create uneven uptake, selective application, and heightened greenwashing risk, shifting the burden onto investors to interpret and police claims. For smaller funds in particular, a mandatory framework provides clarity, reduces due diligence costs and creates a level playing field that supports prudent capital allocation and fiduciary decision-making."

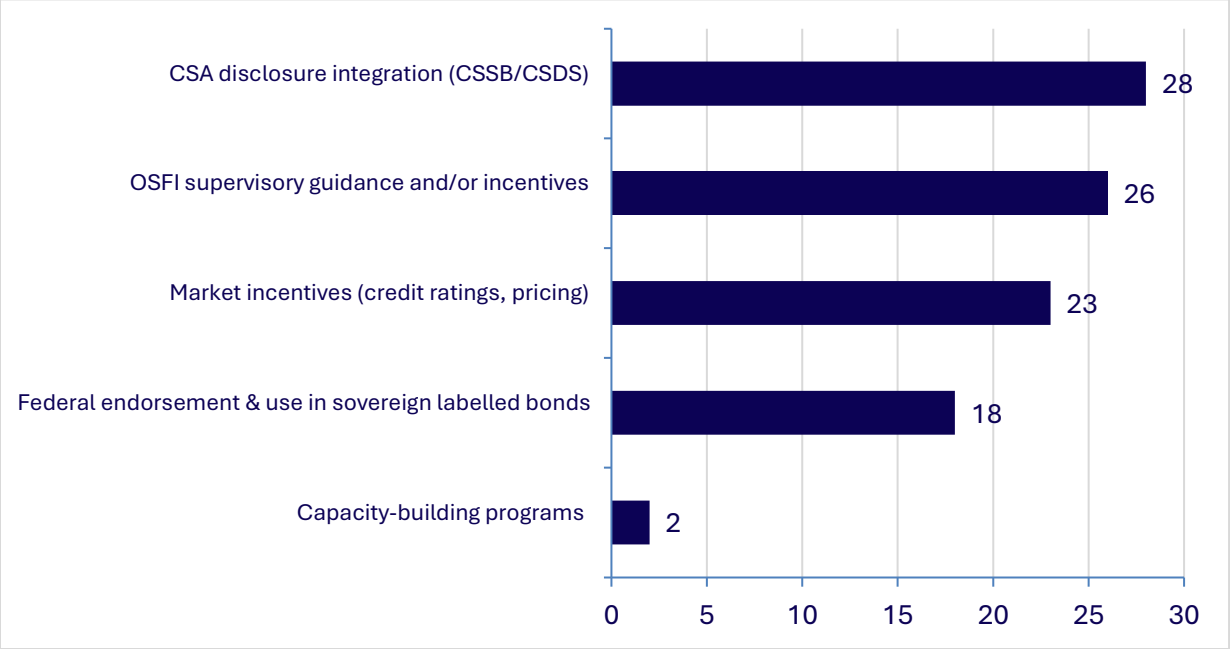
Overall, this suggests that respondents view implementation as likely to depend not only on technical design but also on whether the taxonomy is supported by a broader policy, disclosure, and supervisory architecture. This is seen by respondents as an important factor influencing market relevance and consistency of use. Beyond policy clarity, respondents identified several additional implementation challenges, such as **availability of credible transition pathways** (34%, 11/32), **data availability and comparability** (34%, 11/32), **and industry resistance** (31%, 10/32).

This suggests that practical implementation challenges remain alongside broader policy uncertainty. In particular, respondents emphasized the need for credible, science-based transition pathways, especially in hard-to-abate sectors, and for transition assessments to be grounded in real-economy emissions reductions and capital allocation. This also reflects investor sensitivity to greenwashing risks, reinforcing that taxonomies must be science-based and aligned with guidance from the Competition Bureau. In an open-text comment, one respondent noted that carbon capture and utilization (CCU) should not be considered

sufficient for transition alignment and that new fossil fuel expansion should not be classified as sustainable. As this view was raised by a single respondent, it should be understood as an individual perspective rather than a broad survey finding.

Industry resistance was also identified as a potential challenge, particularly where classification decisions may be politically or commercially contested. At the same time, respondents noted that internal capacity constraints, data limitations, and cross-jurisdictional misalignment could create operational and compliance-related difficulties.

Figure 6. What signals would most accelerate adoption by financial institutions (n=33)



CSA = Canadian Securities Administrators; CSSB = Canadian Sustainability Standards Board; CSDS = Canadian Sustainability Disclosure Standards; OSFI = Office of the Superintendent of Financial Institutions

Notes: Respondents were asked to select all options that apply; therefore, totals exceed 100%.

When asked which factors would most accelerate adoption by financial institutions, respondents most frequently pointed to integration into disclosure frameworks, with CSA alignment (CSSB/CSDS) cited by 28 of 33 respondents (85%), followed closely by OSFI supervisory guidance or incentives (26/33, 79%). Market-based incentives such as credit ratings and pricing signals were also seen as important (23/33, 70%), alongside federal endorsement through sovereign labelled bonds (18/33, 55%), while capacity-building programs were identified less often (2/33, 6%).

Open-text responses further reflected these perspectives. Several respondents indicated that, without clearer federal leadership and potential pathways for integration into disclosure and supervisory frameworks, the taxonomy may have limited influence on core financial decision-making processes. Others noted that a purely voluntary approach could result in uneven implementation and potentially increase due diligence burdens for investors.

Overall, the findings suggest that respondents view uptake as likely to depend in part on whether the taxonomy is aligned with the institutional settings in which investors already make reporting, risk management, and allocation decisions.

4. Key Considerations for Taxonomy Design and Implementation

The survey findings point to several implications for the design and implementation of a Canadian sustainable finance taxonomy. Given the small and self-selected nature of the sample, the points below are best understood as key considerations to help inform ongoing scoping and conceptual development, rather than prescriptive recommendations. They draw on the survey findings, as well as broader PRI and ISF policy analysis and experience across jurisdictions.

4.1 For the Taxonomy Developers

Clarify the intended role of the taxonomy and its primary use cases.
A recurring theme in the survey is that respondents see the taxonomy as potentially serving multiple functions, including stewardship, portfolio analysis, product labelling and screening and credit applications. A clearer articulation of the taxonomy's intended role and primary use cases would help ensure that its design is fit for purpose and would reduce the risk of mismatched expectations about what the taxonomy can realistically deliver on its own.

Define the overall transition design approach, including the boundary between "green" and "transition" activities.
The survey suggests support for a range of transition design features, but not a single, self-sufficient model. In this context, taxonomy developers may wish to articulate the overall transition design approach early, including how green and transition categories are distinguished in practice. This may be especially important for measures such as energy efficiency, where similar investments could represent either fully aligned green activities or transitional improvements that reduce emissions from higher-emitting assets but do not yet meet green thresholds. Greater clarity here could support consistency of application and reduce the risk of over-classifying incremental improvements as green.

Clarify how "measurable performance improvement" would be assessed.
Throughout the survey, there are references to forward-looking trajectories, with an emphasis on robust thresholds and DNSH. If measurable performance improvement is used as part of the eligibility criteria in the taxonomy, additional clarity may be helpful on how it would be defined in practice, including the choice of baseline. For example, taxonomy developers could consider whether performance should be assessed against an asset-specific baseline, a sectoral average, or another reference point. More explicit treatment of this issue, where baselines are clearly and meaningfully defined, would likely improve comparability and reduce interpretive uncertainty.

Include a clearly defined transition measure list as a practical entry point, while acknowledging the associated trade-offs.
The taxonomy should include a list of eligible technologies, processes, and assets that demonstrably contribute to emissions reduction. This was the most widely supported transition feature in the survey (27/33, 82%). At the same time, the report also notes a trade-off: a design calibrated for accessibility may reduce the depth of analysis available to decision-makers. As such, a transition measure list may be most useful when positioned as one component of a broader transition framework rather than as a stand-alone solution.

Embed clear sunset dates or phase-down guidance within transition categories.
Transition eligibility should be time-bound. This was also strongly supported in the survey (23/33, 70%). Defined timelines after which transition activities must either meet full green criteria or cease to qualify could

help reinforce that transition status is conditional and temporary rather than indefinite. Sector-specific pathways may be appropriate where transition timelines differ materially across industries.

Link transition eligibility to credible sector pathways and entity-level transition planning (company-wide plans).
Technical thresholds should be aligned with **credible decarbonization pathways**, and the framework should clarify expectations for **entity-level transition strategies** and **capital allocation alignment**. This reflects another area of relatively strong survey support (22/33, 67%) and suggests that some respondents see value in connecting activity-level classification with broader transition planning at the company level.

Reflect Indigenous rights and meaningful consultation in both governance arrangements and eligibility criteria.
In the interoperability-related questions, 31 of 33 respondents (94%) indicated that considerations such as Indigenous rights, national and regional energy needs, and energy security should take precedence over interoperability where necessary. Elsewhere, respondents also referenced Indigenous rights in relation to safeguards and long-term project viability. Against that backdrop, taxonomy developers could consider how Indigenous rights and meaningful consent and consultation are reflected both in governance arrangements and, where relevant, in eligibility criteria for land- and resource-intensive activities. This could include attention to participation, consultation processes, and project-level considerations such as credible engagement or benefit-sharing arrangements.

Provide clarity on the treatment of higher-risk or contested activities.
Respondents emphasized the importance of credible transition pathways, robust thresholds and overly broad or permissive classifications, particularly to reduce greenwashing and associated liability risks. In that context, additional clarity may be helpful on the treatment of higher-risk or contested activities, including enabling technologies and the parameters of DNSH safeguards.

Publish practical implementation guidance for investors.
Supporting guidance should clarify activity-level versus entity-level application, provide examples of portfolio aggregation, and explain the treatment of diversified issuers and partial alignment. This is particularly relevant given that stewardship and portfolio allocation emerged as the most commonly identified use cases, suggesting that practical guidance could help improve comparability and reduce divergence in interpretation.

Support international coordination and comparability with other frameworks.
Given that respondents identified interoperability with other frameworks (particularly those in jurisdictions such as Australia and the EU) as an important consideration for a Canadian taxonomy, taxonomy developers should consider how the framework may be structured to enable comparison with other major taxonomies. At the same time, it should still continue to reflect Canada's domestic context.

4.2 For the Canadian Securities Administrators (CSA)

85% of survey respondents indicated CSA disclosure integration (i.e., embedding taxonomy-aligned metrics within existing issuer disclosure frameworks) as one of the strongest policy signals that could accelerate taxonomy adoption. In practice, this could include clarifying potential approaches to how issuers may report taxonomy-aligned revenue, capital expenditure, and operating expenditure alongside ISSB-aligned disclosures as adopted in Canada through the Canadian Sustainability Standards Board (CSSB), and providing further clarity on interpretation, comparability, and, where appropriate, assurance.

Respondents also noted that, rather than creating a parallel reporting regime, taxonomy-related metrics could be aligned with the broader disclosure architecture. A phased approach could support implementation, beginning with voluntary adoption of the taxonomy alongside targeted capacity-building for

issuers and market participants to build familiarity and address practical challenges. Survey responses suggest that disclosure integration is viewed by respondents as one of the most important factors supporting adoption.

4.3 For the Office of the Superintendent of Financial Institutions (OSFI)

There may also be value in OSFI considering whether, and in what ways, taxonomy-related metrics could be referenced within climate risk supervisory expectations, where appropriate. This could include clarifying how taxonomy-related metrics may be used by financial institutions to inform transition risk analysis, governance oversight, and broader risk management processes. Supervisory recognition would not need to prescribe specific tools or portfolio outcomes but could help signal that taxonomies may serve as a useful input to institutional risk assessment.

4.4 For the Federal Government

Survey responses suggest that respondents view clear federal signaling as an important factor influencing market uptake. In that context, there may be value in the federal government articulating the taxonomy's intended role within Canada's broader sustainable finance framework and demonstrating its potential application in sovereign issuance (e.g., green or transition bonds).

Respondents noted that reporting on the alignment of sovereign bond proceeds with taxonomy criteria could help establish a market reference point and support broader confidence in the framework. This part of the discussion could also acknowledge the importance of practical usability for smaller market participants and the potential interaction between the taxonomy and other policy instruments, including areas where treatment may not align perfectly.

5. Conclusion

This report examined the potential role of a Canadian sustainable finance taxonomy within the broader context of Canada's evolving sustainable finance framework. It outlined the rationale for a taxonomy as a tool to support greater clarity, comparability, and consistency in sustainable finance markets, while also noting its limitations and the importance of the surrounding policy and market architecture. It then presented insights from a targeted survey of 33 respondents, offering an indicative view of how a group of PRI signatories and market participants engaged in sustainable finance understand the taxonomy's potential objectives, design features, use cases, and implementation considerations. Building on these insights, the report set out a range of considerations for taxonomy developers, regulators, and government bodies to help inform ongoing discussions on development and implementation.

Across these elements, survey responses suggest that respondents generally view a taxonomy as a potentially useful tool for supporting stewardship, portfolio analysis, and market transparency, particularly where it is clear, credible, and practical to apply. At the same time, the findings highlight a number of design considerations and trade-offs, including the balance between interoperability and domestic context and the role of credible transition pathways in high-emitting sectors.

Survey responses also indicate that respondents view implementation as likely to depend not only on technical design, but also on the broader institutional context in which the taxonomy operates. In particular, respondents pointed to the potential influence of policy signals, disclosure frameworks, and supervisory settings in shaping how the taxonomy may be used in practice.

Given the survey's small and self-selected sample, these findings should be interpreted as indicative of informed practitioner perspectives rather than representative of the broader market. The report does not seek to prescribe specific policy or regulatory outcomes, but rather to contribute to ongoing dialogue by reflecting investor views and highlighting areas for further consideration. The role and impact of a Canadian taxonomy will ultimately depend on how it is developed, positioned within the wider sustainable finance ecosystem, and taken up across different parts of the financial system.

Appendix: Survey Questions

The appendix includes the full set of survey questions distributed to PRI signatories and market participants. The survey was structured across key thematic areas, including policy objectives, taxonomy design features, transition scope, use cases, interoperability, data infrastructure, and governance.

These questions were designed to capture both technical preferences (e.g., screening criteria, transition eligibility, and capital allocation considerations) and practical use cases (e.g., investment decision-making, product application, and stewardship). They are provided for transparency and to contextualize the key themes and insights presented in this report.

Section A – Respondent Profile (Context)

Type of organization:

- ☐ Asset owner
- ☐ Asset manager
- ☐ Financial intermediary
- ☐ Service provider
- ☐ Other _____

Are you a Principles for Responsible Investment (PRI) signatory?

- o Yes
- o No

What is your seniority level?

- ☐ Associate/Analyst
- ☐ Senior Analyst/Manager
- ☐ Director
- ☐ Managing Director
- ☐ C-Suite
- ☐ Other

Which area best reflects your primary role in advancing sustainable finance within your organization?

- ☐ ESG/Responsible Investment
- ☐ Portfolio Management
- ☐ Policy/Government Relations
- ☐ Compliance/Legal
- ☐ Treasury
- ☐ Other

Where is your headquarters located?

- ☐ Canada
- ☐ US
- ☐ Europe
- ☐ APAC
- ☐ Other _____

In which markets does your organization primarily operate or invest?

- ☐ Canada
- ☐ US
- ☐ Europe
- ☐ APAC
- ☐ Other _____

Which of the following best describes your organization's approach to a sustainable finance taxonomy?

- ☐ We use external frameworks (e.g., EU Taxonomy, Climate Bonds Initiative, etc.) [If yes, then specify which below] _____
- ☐ We have a fully developed internal taxonomy
- ☐ We are developing one
- ☐ We invest in sustainable products that use recognized frameworks (i.e., ICMA)
- ☐ We do not currently use a taxonomy

Section B: Foundation & Policy Objective

What should be the primary objective of Canada's taxonomy? *(Select top 3)*

- ☐ Align capital with Paris goals
- ☐ Enable transition of high-emitting sectors in line with Paris goals
- ☐ Support product labelling
- ☐ Promote market integrity
- ☐ Support compliance with disclosure and broader regulatory requirements
- ☐ Enhance access to transition finance
- ☐ Enhance access to green finance
- ☐ Other (please specify): _____

Section C: Common Design Features & Transition Scope

Assessing how broad should Canada's taxonomy be, and how it should include "transition" categories.

How should transition activities be treated in Canada's taxonomy? *(Select all that apply)*

- ☐ **Revision of criteria over time** *Criteria are periodically tightened at set intervals to stay aligned with pathways.*
- ☐ **Forward-looking criteria / trajectories** *Thresholds or pathways are set for future years (e.g., 2030, 2040, 2050) to guide long-term eligibility.*
- ☐ **Shading (tiers of ambition)** *Multiple performance tiers (e.g., green/amber/red) with clear sunset dates for lower tiers.*
- ☐ **Transition measures list (whitelist of eligible technologies/practices)** *Specific decarbonization measures (CapEx/OpEx) are eligible even if the whole activity is not.*
- ☐ **Sunset dates or phase-down guidance** *Clear timelines for when certain activities or technologies lose eligibility.*
- ☐ **Transition plan requirement** *Eligibility contingent on an entity-level transition plan aligned with a credible pathway.*
- ☐ **Other (please specify):** _____

Which design features are most important to ensure both international interoperability and usability in the Canadian market? *(Select all that apply)*

- ☐ Alignment with Paris pathways **[Structural Design Foundations]**
- ☐ A sector classification structure (e.g., ISIC, NAICS, NACE) with cross-walks that map the structure to other major taxonomies **[Structural Design Foundations]**
- ☐ Transparent technical screening criteria **[Technical & Eligibility Architecture]**
- ☐ Do No Significant Harm (DNSH) and Minimum Social Safeguards **[Technical & Eligibility Architecture]**
- ☐ Clear transition eligibility rules **[Technical & Eligibility Architecture]**
- ☐ Regular review and update process **[Governance & Maintenance]**
- ☐ Mechanisms for stakeholder consultation **[Governance & Maintenance]**
- ☐ Independent scientific or expert oversight **[Governance & Maintenance]**

Section D: Use Cases

Taxonomies can have a wide range of use cases, with corporate reporting and labelled fixed income products being the most common. Alignment across borders improves when taxonomies are developed with comparable use cases in mind.

How do you expect to use a Canadian taxonomy in day-to-day investment decisions? *(Select all that apply)*

- ☐ Asset allocation or tilting
- ☐ Screening / exclusions
- ☐ Credit analysis or lending decisions
- ☐ Stewardship and escalation priorities
- ☐ Other (please specify): _____

Which investment products in your organization are most likely to rely on a Canadian taxonomy? *(Select all that apply)*

- ☐ Active public markets strategies
- ☐ Passive/index strategies
- ☐ Corporate debt
- ☐ Project finance debt or equity
- ☐ Green and/or transition bonds or other labelled debt products
- ☐ Alternatives / private markets
- ☐ Other (please specify): _____

Section E: Mutual Recognition & Global Alignment

As global jurisdictions advance their sustainable finance taxonomies, Canada needs to ensure its framework is both credible at home and usable across borders. Interoperability with major markets, such as the EU, Australia, Singapore, ASEAN, LATAM, China and others, will shape how effectively Canadian issuers and investors can operate internationally. *Stakeholders have also pointed to Australia as a potentially useful comparator, given the similarities in economic makeup and the scale of transition financing required in both countries. The questions below explore whether Australia should be considered a priority reference point and how respondents view interoperability more broadly.*

Which criteria do you consider most important when determining which international taxonomies Canada should align or interoperate with? *(Select all that apply)*

- ☐ Depth and relevance of capital markets in the jurisdiction (e.g., large institutional investor base with a sustainable investment mandate, high volumes of sustainable debt issuance, influence on the global capital market)
- ☐ Similarity of economic structure and transition pathways (e.g., resource-based economies)
- ☐ Strength of Canada's trade or investment linkages with the jurisdiction
- ☐ Alignment in climate policy and regulatory approaches
- ☐ Technical compatibility (e.g., ISIC/NACE-based classification systems)
- ☐ Influence of the jurisdiction on global standards and norms
- ☐ Other (please specify): _____

Optional: Which taxonomies should Canada align or interoperate with first? *(Select up to 3)*

- ☐ EU
- ☐ Australia
- ☐ Singapore
- ☐ ASEAN
- ☐ LATAM
- ☐ China
- ☐ Other _____
- ☐ Unsure

Given the perceived similarities between the Canadian and Australian economies, do you see particular value in prioritizing interoperability or mutual recognition with Australia's taxonomy?

- o Yes – high priority
- o Somewhat – one of several priorities
- o Not particularly – other jurisdictions should be of the same or higher priority
- o Unsure

Optional: If you answered "Yes" or "Somewhat", please briefly explain which aspects of Australia's taxonomy you see as most relevant for Canada (e.g. treatment of transition activities, sector coverage, usability for issuers/investors):

_____

Would interoperability with these markets increase your likelihood of adopting Canada's taxonomy?

- o Yes significantly
- o Somewhat
- o No impact
- o Unsure

Would you support mutual recognition between Canada's taxonomy and others (EU, Singapore, Australia, CBI) if minimum design principles were met, even if thresholds differ slightly?

- o Yes
- o No

o Depends (please specify) _____

Under what circumstances do you believe divergence between Canada's taxonomy and other major taxonomies may be justified, even when interoperability is a priority for investors? *(Select all that apply)*

- ☐ Material differences in Canada's sectoral transition pathways
- ☐ Consideration of Indigenous rights, regional energy needs, and energy security
- ☐ Evidence that Canadian market structures or financial system exposures require tailored treatment
- ☐ The need to reflect Canada's policy environment or federal–provincial responsibilities
- ☐ Alignment with key trading partners (e.g., the United States)
- ☐ Other (please specify): _____
- ☐ Divergence should be minimized unless strongly evidence-based

Optional: Please outline any specific areas where Canadian circumstances materially differ from other jurisdictions and should be reflected in taxonomy design:

_____

Section F: Simplicity, Digital Access & Data Infrastructure

What digital infrastructure or standardization would make Canada's taxonomy usable?

What digital or data features would most enable adoption? *(Select top 2)*

- ☐ Publicly accessible taxonomy database / API
- ☐ Machine-readable tagging (XBRL / AI tools)
- ☐ Harmonized disclosure templates
- ☐ Central repository for aligned criteria, such as the Global Sustainable Finance Taxonomy Mapper

Section G: Governance & Oversight

What governance structure would ensure credibility?

Which governance features are most important for credibility? *(Select up to 3)*

- ☐ Transparent methodology and updates
- ☐ Independent scientific advisory group
- ☐ Inclusion of Indigenous and social expertise
- ☐ Public consultation process
- ☐ Accountability to Parliament or the regulator

Section H: Collaboration, Review & Market Signal

How can Canada's taxonomy drive adoption and international cooperation?

What signal would most accelerate adoption by financial institutions?

- ☐ Federal endorsement and use in sovereign labelled bonds
- ☐ Market incentives (credit ratings, pricing)
- ☐ OSFI supervisory guidance and/or incentives
- ☐ CSA disclosure integration (CSSB/CSDS)
- ☐ Capacity-building programs

In how many years do you expect measurable market impacts from a Canadian taxonomy (e.g. capital allocation, differentiation)?

- o < 2 years
- o 2–4 years
- o 5 + years
- o Unsure

How would a Canadian taxonomy affect liability risk and regulatory friction for your organization?
(Select all that apply)

- ☐ Reduce risk by providing clearer definitions and thresholds **[Potential benefits]**
- ☐ Reduce greenwashing concerns **[Potential benefits]**
- ☐ Improve clarity for disclosures and stewardship **[Potential benefits]**
- ☐ Increase liability if thresholds differ from global norms **[Potential risks]**
- ☐ Create inconsistencies with existing labelling or regulatory regimes **[Potential risks]**
- ☐ Add compliance burden or operational complexity **[Potential risks]**
- ☐ No major impact

Optional: Please explain any areas where mandatory vs. voluntary adoption would change usability:

_____

What do you see as the primary barriers to implementing a sustainable finance taxonomy in Canada?
(Select all that apply, and use the text box to elaborate if needed)

- ☐ Lack of clear policy direction or government signal
- ☐ Data availability and comparability challenges
- ☐ Limited internal capacity or technical expertise
- ☐ Availability of credible transition pathways
- ☐ Difficulty aligning with international taxonomies
- ☐ Industry resistance or stakeholder pushback
- ☐ Please elaborate on any selections above: _____

Optional: Final Comments
Do you have any additional comments, suggestions, or considerations that should be taken into account as the implementation body develops this work?

_____