



Pension Investment  
Association of Canada

Association canadienne des  
gestionnaires de caisses de retraite

July 10, 2024

The Honourable Chrystia Freeland, Minister of Finance & Deputy Prime Minister  
The Honourable Steven Guilbeault, Minister of Environment and Climate Change  
The Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources

Via email:

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## **Re: Implementation of a Green and Transition Taxonomy for Canada**

The purpose of this letter is to provide comment from the Pension Investment Association of Canada (PIAC) on implementation of a Green and Transition Taxonomy for Canada, building upon the work of the Sustainable Finance Action Council (SFAC) as mentioned in the Fall Economic Statement.

The Pension Investment Association of Canada (PIAC) has been the voice for Canadian pension funds since 1977 in matters related to pension investment and governance. PIAC's members manage over \$2.8 trillion of assets on behalf of millions of Canadians. Our mission is to promote sound investment practices and good governance for the benefit of plan sponsors and beneficiaries.

PIAC members operate under a fiduciary framework that mandates a duty of loyalty and a duty of prudence for plan administrators. Pension plan trustees must act in good faith and prioritize the best interests of plan members and beneficiaries, while ensuring intergenerational fairness of the plans. PIAC believes that due to the potential financial impacts of a Canadian Green and Transition Taxonomy, it falls within the scope of our members' fiduciary responsibilities to review and consider its implementation.

Echoing the sentiments of Clean50's open letter to government, PIAC supports the concept of a Green and Transition Taxonomy for Canada and endorses the recommendations outlined in SFAC's Roadmap Report. Establishing a Canadian Green and Transition Taxonomy will help provide the confidence and transparency that investors need to make decisions that are consistent with Canada's climate objectives and transition pathways, as well as organization-specific climate action plans or net-zero commitments. As taxonomies become an increasingly common financial tool around the world, implementing a Canadian Green and Transition Taxonomy could aid in attracting both domestic and international investments to Canadian companies and activities,

ensuring competitiveness during the wider economic transition towards a low-carbon economy.

PIAC appreciates the opportunity to comment on policy and regulatory developments that actively promote a more sustainable financial future for Canada. We look forward to the release of the draft taxonomy which will give PIAC a better understanding of the taxonomy's provisions and implementation plan, and any associated challenges and long-term impacts.

Yours sincerely,

A handwritten signature in cursive script that reads "Don Andrews".

Don Andrews  
PIAC Executive Director