# 2025 CANADIAN RESPONSIBLE INVESTMENT TRENDS REPORT

November 2025

REPORT PARTNERS

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# FOREWORD FROM THE RIA'S CEO

I am pleased to present the 2025 Canadian Responsible Investment Trends Report, the definitive benchmark of Canada's responsible investment (RI) industry. Produced as part of the RIA's Responsible Investment Research Initiative, this report provides data-driven insights into the evolution of RI in Canada and charts a path forward for continued growth and leadership in a changing operating environment.

This year's findings reveal a market that remains resilient amid heightened scrutiny and shifting global dynamics. Responsible investment is now firmly entrenched in Canada's financial ecosystem, with ESG integration used by 96% of respondents, representing 87% of assets under management. While growth expectations have moderated, two-thirds of respondents still anticipate further expansion, underscoring the staying power of RI and the conviction of investors who continue to embed sustainability into their processes. Meanwhile, global headwinds and negative media narratives highlight the importance of clarity, quality, and accountability in RI communication. Together, these findings signal a shift toward a more pragmatic and risk-aware era of responsible investment in Canada.

The 2025 Report confirms what many in the industry already recognize: responsible investment is now a central feature of Canada's financial ecosystem. The conversation has shifted from how much RI is being done to how it is being implemented. As Canada's investment industry association dedicated to embedding responsible investment across our financial system, the RIA is proud to support practitioners through this evolution by convening members, providing education and advancing consistent frameworks that build investor confidence and sustain Canada's leadership in responsible investment globally.

I would like to extend my gratitude to our partners Addenda Capital, Desjardins, Mackenzie Investments, National Bank Investments, RBC Investor Services and TD Asset Management for their continued support and commitment to advancing RI through research and insights.

I invite you to explore the data and insights presented in this year's report and to join us in continuing to strengthen the integrity and impact of responsible investment in Canada.

Patricia Fletcher
Chief Executive Officer
Responsible Investment Association

# PARTNER MESSAGES

"The RIA report shows that climate change risks are now the main driver of growth in responsible investment. As a member of the Co-operators Group, we see firsthand the consequences of these risks on Canadian communities and businesses. The discussion about the need for action is behind us: we must now implement solutions based on robust policies and standards. The growing adoption of the CSSB standards and the Canadian taxonomy for green transition finance demonstrates the sector's dedication to integrating climate resilience into the heart of the financial system."

**Roger Beauchemin**

President and CEO,
Addenda Capital

"Desjardins is proud to co-sponsor the 2025 Responsible Investment Trends Report, which offers timely insights into the evolving landscape of sustainable finance in Canada. This year's findings reaffirm the growing importance of risk management as a key driver of responsible investment, highlighting the financial relevance of ESG factors for asset owners and managers.

We are especially encouraged by the continued strength of collaborative engagement, which reflects the value of stewardship and active ownership, principles central to our approach.

While the field faces challenges, including polarized narratives from abroad and regulatory uncertainty, we remain confident that ESG-related risks and opportunities will continue to propel responsible investment forward. This report provides essential guidance about a complex environment, helping us identify where confidence is growing, where barriers persist, and where new opportunities are emerging."

**Inka-Mélissa Poulin**

Vice President and Head of Strategies for Responsible Investment Solutions,
Desjardins Investments Inc.

# PARTNER MESSAGES

"The results of the 2025 RI Trends Report reflect a maturing responsible investment industry, enabled by better data and improved reporting practices. Asset managers and owners are applying sustainability factors with greater precision, integrating them where they create the most value. Responsible investing is now deeply embedded in investment processes across Canada, with higher adoption than in any other jurisdiction.

This maturity is built on confidence: nine in ten respondents express trust in how they report their progress, supported by frameworks that align with priorities and measurable outcomes. The resulting shifts seen in the use and proportion of ESG strategies reflect enhanced reporting capabilities, not changes in commitment. In the face of negative sentiment toward ESG in some corners, this growing transparency and discipline are encouraging signs that sustainability commitments remain resilient."

**Fate Saghir**

Senior Vice President, Head of Marketing, Sustainability, and Client Experience,
Mackenzie Investments

"We are pleased to present the RIA Responsible Investment Trends Report 2025, an essential analysis for understanding the evolution of responsible investing in Canada. This edition highlights key findings: while growth expectations for RI are slowing, nearly two-thirds of respondents still anticipate positive progress. This confidence, despite a context marked by an increasing number of standards and media pressure, demonstrates the solidity of RI's position in investing.

Another major takeaway: climate risks are now seen as the primary driver of RI adoption among investors. This awareness underscores the importance of integrating environmental, social, and governance (ESG) criteria into financial decisions, not only to meet regulatory expectations but also to create sustainable value.

At National Bank Investments, we firmly believe that responsible investing is a catalyst for innovation and long-term performance. This report reflects our commitment to providing you with tools and insights to support your clients in their financial decisions.

We invite you to explore these findings, draw lessons for your practice, and continue the dialogue with your clients. Together, we can turn these challenges into opportunities and build a more sustainable future."

**Solène Hanquier**

Principal Director and Head of Responsible Investment,
National Bank Investments

# PARTNER MESSAGES

"The 2025 Trends Report highlights how investor demand and demographic shifts are reshaping the future of responsible investment.

Investor demand for ESG and impact now ranks among the top drivers of responsible investment growth. The next generation of Millennial and Gen Z investors are increasingly prioritizing sustainable and impactful investment choices and are setting new expectations for transparency and accountability.

What's more, this shift is being accelerated by the wealth transfer to younger generations, which will continue to drive the industry toward greater consistency in reporting and stronger alignment with long-term values. The bottom line is that ESG and impact investing are no longer optional; they are core components of modern portfolios. This means the conversations with our clients should be focused and tailored, supporting asset managers and investment counsellors' plans with the right data and insights needed to meet their performance goals."

**Christine Knott**

Head, Data, Digital & Client Solutions,
RBC Investor Services

"As a Sustaining Member of the RIA, and with our substantial presence in the retail and institutional investment spaces in Canada, TD Asset Management Inc. is pleased to support the RIA's industry research on trends in the Canadian responsible investing (RI) space.

The findings of the 2025 RI Trends Report demonstrate that the RI funds segment is maturing into a stable component of the investment solutions market, and despite noise around this space, it is encouraging that the majority of investors remain focused on incorporating RI considerations within investment decision making with the intention to minimize risk and improve returns over time.

The information in this report provides an important checkpoint to asset managers and companies alike to gauge current practices and issues important to Canadian investors."

**Priti Shokeen**

Managing Director, Head of Sustainable Investment,
TD Asset Management Inc.

# ACKNOWLEDGEMENTS

This report was produced as part of the Responsible Investment Research Initiative, a program of the RIA. The Initiative, including the production of this report, is generously supported by partners Addenda Capital, Desjardins, Mackenzie Investments, National Bank Investments, RBC Global Asset Management and TD Asset Management.

This study was completed by Environics Research on behalf of the Responsible Investment Association (RIA).

### ABOUT THE RIA

The RIA is Canada's investment industry association with a purpose of entrenching responsible investment (RI) in Canada's financial ecosystem. The RIA's membership includes asset managers, asset owners, advisors and service providers. Institutional members collectively manage over $45 trillion in assets globally.

Learn more at [www.riacanada.ca](http://www.riacanada.ca).

ABOUT THE

## Responsible Investment Research Initiative

The Responsible Investment Research Initiative, a program of the Responsible Investment Association (RIA), delivers objective, data driven insights spanning the full spectrum of responsible investment in Canada through three comprehensive reports:

Investor Opinion

**RIA Investor Opinion Survey**

This report tracks individual Canadian retail investors' perspectives on responsible investment.

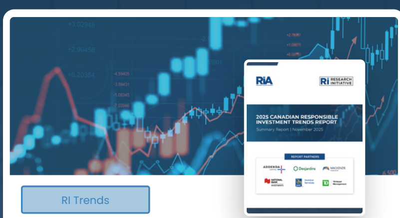
Explore Report


Advisor RI Insights

**Advisor RI Insights Study**

This report assesses how responsible investment is approached by Canadian retail investment advisors.

Explore Report



RI Trends

**Canadian RI Trends Report**

This report is the most comprehensive study monitoring the evolution of RI practices in Canada.

Explore Report

Learn more at **[www.ri-research-initiative.ca](http://www.ri-research-initiative.ca)**

# EXECUTIVE SUMMARY

**RI in Canada is well established with strong levels of commitment.**

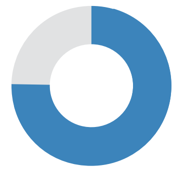
ESG integration used by **96%** of respondents...

..across **87%** of AUM

Responsible Investment as a **priority Year-over-Year**.

**24%** say **more**.

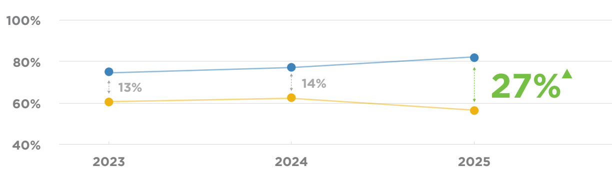
**75%** say **unchanged**.



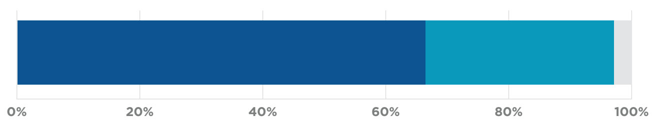
**76%** of respondents remain committed to **collaborative engagements**.

**Risk minimization increased its lead over other factors considered in investment decision making.**

Differential between **"minimize risk"** and **"improving returns"** increased to **27%** from 14% in 2024 and 13% in 2023.




**RI expected to continue to grow, but at slowing rates.**




**67%** expect **continued growth**.

**31%** expect **flat growth**.

**Confidence in reporting remains high but standardization, regulation and third-party audits are still needed.**

**69%** are confident in **the overall quality of reporting**.

**91%** are confident in **their own organization's reporting**.

**65%** are confident in **other organizations reporting across Canada**.

**Ranking of RI Growth drivers and deterrents saw notable shifts year-over-year.**

**Driver of RI Growth**

**Risks associated with a changing climate** now the biggest driver of RI growth.

**Deterrent of RI Growth**

**Negative media coverage** now the biggest deterrent to RI growth.

**As RI in Canada has matured it remains firmly entrenched in the face of ongoing challenges. Investors remain committed but are increasingly focused on risk and are continuing to call for standardization of disclosures and definitions to improve transparency and confidence in reporting.**


# ABOUT THIS REPORT

The Canadian Responsible Investment Trends Report, published by the Responsible Investment Association (RIA), is a tool for monitoring the evolution of responsible investment (RI) practices in Canada. This 2025 report draws on responses gathered from a survey of Canadian institutional asset managers and asset owners, which took place between May 7th and July 9th, 2025. The previous survey was conducted in 2024.

Clarity and consistency around definitions of RI and its common terms are essential for this research.

**This report defines responsible investment as the incorporation of environmental, social and governance (ESG) factors into the selection and management of investments.**

It is important to note that RI is a broad term encompassing various strategies and approaches to implementation. This report references terminology and definitions for five RI strategies, based on the Definitions for Responsible Investment Approaches[1]. These approaches, which are described in a subsequent section of this report, facilitate comparisons of the Canadian RI market with other regions and over time.

All financial data is reflective of December 31st, 2024. The data collection and analysis were carried out by Environics Research. Over 387 organizations, including investment managers, Canadian asset owners such as pension funds and foundations, and other institutional investors managing assets in Canada, were invited to participate in the survey. This research universe encompasses both RIA members and non-members.

A total of 83 respondents completed the survey, comprising 51 asset managers, 30 asset owners and 2 organizations that self-identified as an asset manager and an asset owner. Survey participation was voluntary, and the data provided by participants was self-reported and not verified. Some reasonability checks were conducted, resulting in minimal adjustments. This report does not aim to serve as a comprehensive census. Instead, it provides a reliable baseline against which to measure the growth, development and prospects of the RI industry in Canada.

1. Global Sustainable Investment Alliance, and Principles for Responsible Investment. *Definitions for Responsible Investment Approaches*, CFA Institute, 2023.

# RI IN CANADA

## Qualitative Perspectives

With a long history in Canada, responsible investment experienced tremendous growth over the last decade, becoming embedded in the investment process of investment managers and asset owners. Continuing that trend, RI AUM for respondents to this year's survey grew 15.9% from the 2024 survey. But with RI becoming entrenched in the financial ecosystem, the conversation is shifting from AUM and market share, which were once key indicators during the early adoption of RI practices, to a strategic focus on qualitative integration. In other words, as the industry evolves, focus is shifting from "how much" RI is being done to "how" it is being implemented. This report is part of the Responsible Investment Research Initiative which delves into this by delivering a 360-degree qualitative perspective on the RI landscape, offering more valuable insights into how responsible investment strategies are integrated at the institutional and retail levels.

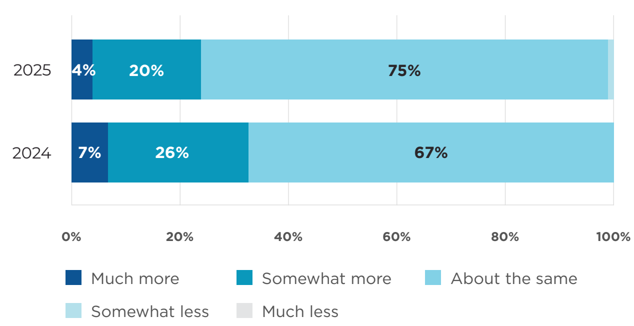
One of the most interesting findings in the 2025 Canadian RI Trends Report is that RI has shown tremendous resilience in the face of increasing headwinds. This is evident when looking at the different RI strategies used by respondents. As will be detailed later in this report, ESG integration remains widely used. The incidence of use, or the rate at which organizations are using ESG Integration increased to 96%. Despite a slight decline in proportional use across organizations' AUM, it still registers very high at 87%. This broad use of ESG Integration supports the view that RI is embedded in investors' investment processes.

Commitment to RI is also notable when looking at investors' changing priorities. When asked to compare their current incorporation of RI into their portfolio management processes with last year, three quarters say it has not changed **(Figure 1)**. Impressively, one in four respondents say it is a higher priority than last year. In the face of headwinds, investors are staying the course.

Investors are also maintaining conviction in their actions related to climate change despite headlines over the last year that some companies and investors are pulling back on their commitments. Most respondents plan to maintain their targets, with a small number planning to set more ambitious ones **(Figure 25)**.

**FIGURE 1**

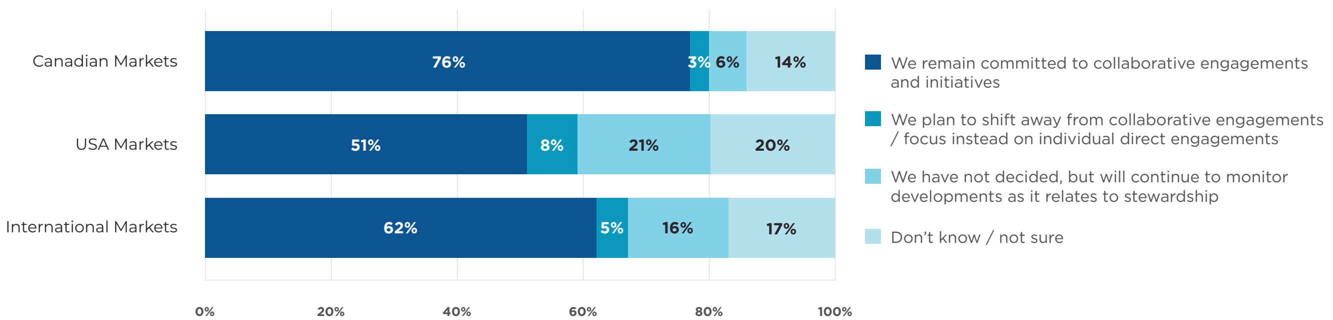
**Year-over-Year Change in Priority**




Another encouraging sign that demonstrates investor conviction in RI comes from respondent views on collaborative engagement initiatives. The majority of respondents expect to remain committed to collaborative engagements despite recent legal challenges in other countries which have caused some to retreat **(Figure 2)**. Regional differences are particularly interesting, with Canadian investors' conviction levels remaining much higher than other jurisdictions.

**FIGURE 2**

**Commitment to Collaborative Engagements**

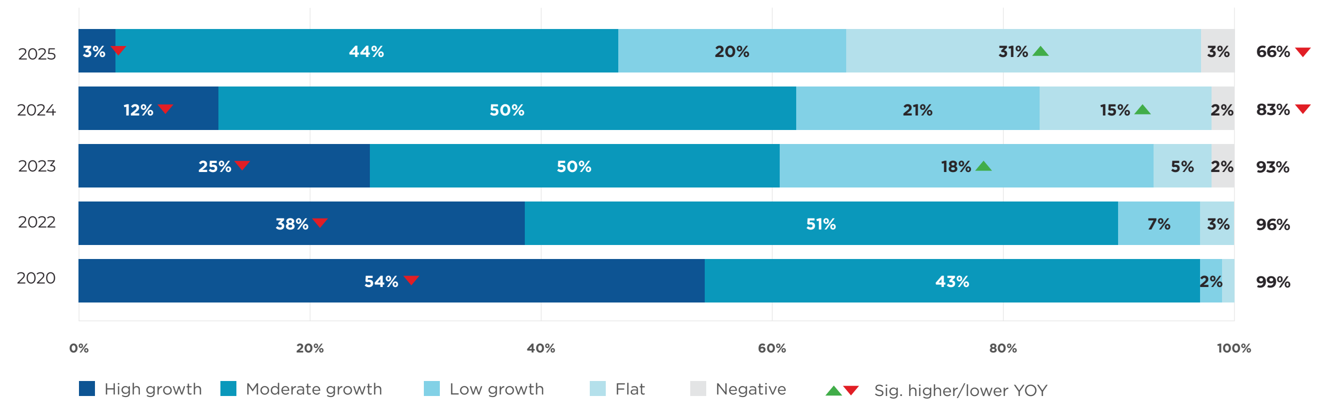


## Growth Expectations

Over the last 10 years RI has grown steadily, but is now mainstream in Canada's financial ecosystem. Consistent with the 2024 RI Trends Report[2], expectations for growth continue to temper. This is a similar profile seen from advisors in the 2025 RI Advisor Insights Study[3]. It is important to note, however, that two-thirds of respondents in this year's Trends Report expect some level of growth while one third expect flat growth, and expectations for negative growth are negligible **(Figure 3)**. This is encouraging given the headwinds that RI has faced over the last year.

**FIGURE 3**

**Expected Growth Rate (next two years)**




## RI Strategies

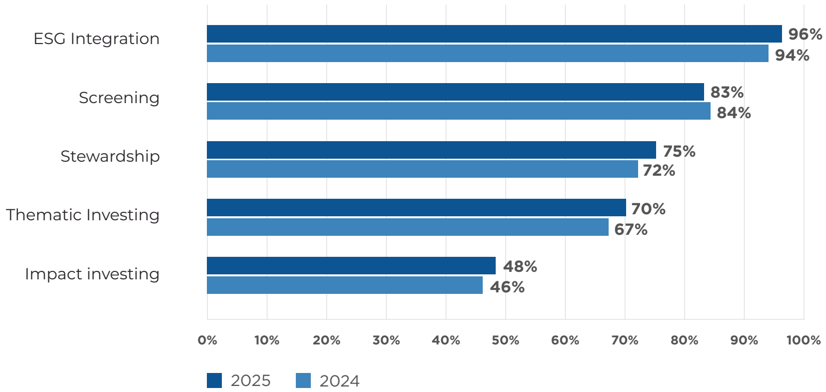
In late-2023, the Global Sustainable Investment Alliance (GSIA), CFA Institute and Principles for Responsible Investment (PRI) issued a new resource for consistency in RI terminology[4]. The new comprehensive definitions were designed to increase consistency in use, prevent greenwashing and help validate RI claims. The RIA adopted these updated definitions and began to use them in the 2024 Canadian RI Trends Report[5], establishing a new baseline for their use.

| RI Strategy | Definition |
|---|---|
| ESG Integration | Ongoing consideration of ESG factors within an investment analysis and decision-making process with the aim to improve risk-adjusted returns. |
| Screening | The application of rules based on defined criteria that determine whether an investment is permissible. |
| Stewardship | The use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend. |
| Thematic Investing | Selecting assets to access specified trends. |
| Impact Investing | Investing with the intention to generate a positive, measurable social and/or environmental impact alongside a financial return. |

2. *2024 Canadian Responsible Investment Trends Report*, Responsible Investment Association, 2024.
3. *2025 Advisor RI Insights Study*, Responsible Investment Association, 2025.
4. Global Sustainable Investment Alliance, and Principles for Responsible Investment. *Definitions for Responsible Investment Approaches*, CFA Institute, 2023.
5. *2024 Canadian Responsible Investment Trends Report*, Responsible Investment Association, 2024.

With 2024 as a baseline, the incidence of RI strategy use increased very slightly for each, with the exception of Screening which saw a slight decline. Consistent with prior years, ESG Integration remains the most prominent RI strategy in use. With 96% of respondents using ESG Integration across 87% of their AUM, this is indicative of the extent to which RI has become entrenched in Canada's financial ecosystem **(Figures 4 and 5)**.

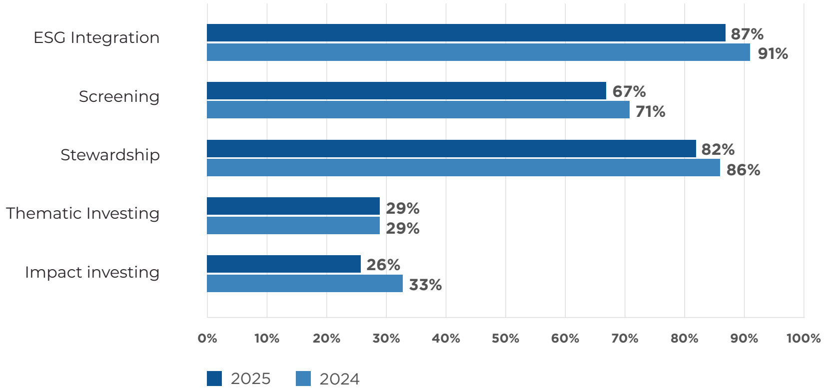
**FIGURE 4**
**Incidence of Use**




INCIDENCE OF USE

The rate at which organizations are using the **RI strategy to any extent** in their investments.

**FIGURE 5**
**Proportional Use**




PROPORTIONAL USE

Proportional use measures the **percentage of each organization's total RI AUM** that is invested using that strategy.

# CONFIDENCE IN REPORTING

Since 2023, the RI Trends Report has assessed investors' confidence with respect to different aspects of reporting. Reflecting on changes from the prior year, respondents indicated their confidence in ESG reporting overall, their own organization's reporting of RI, and the reporting of other organizations across Canada. This year, close to 30% of respondents say they are more confident in the overall quality of reporting than they were last year **(Figure 6)**. While this marks a decline from close to 60% recorded over the last two Trends Reports, it is important to recognize that this does not indicate a decline in confidence. Rather, with relatively high levels of confidence overall it simply hasn't increased, with more indicating no change (65% vs 40% in 2024). While a similar trend was observed for respondents' own organizations' reporting, a notable increase was recorded regarding other organizations' reporting across Canada.

**FIGURE 6**
**Change in Confidence Year-over-Year**

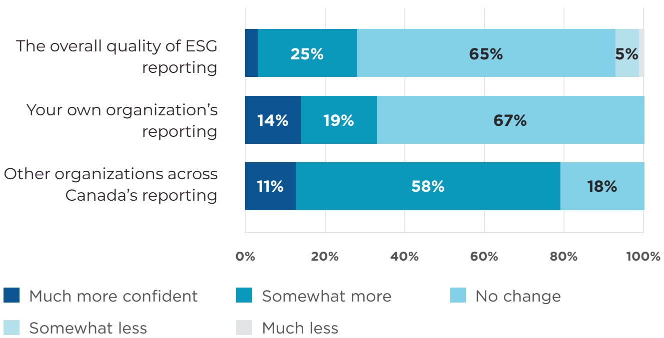
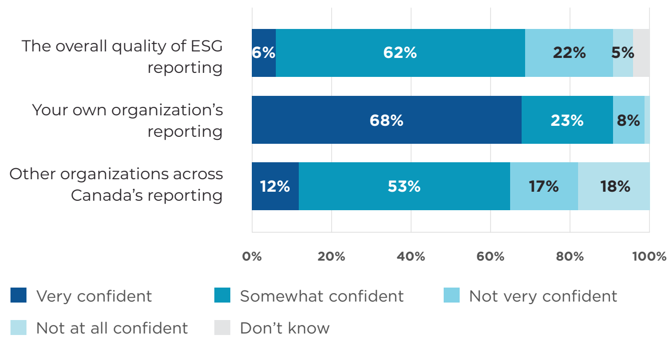



**FIGURE 7**
**Confidence in Reporting**




New this year, respondents were asked to rate their current level of confidence to better assess absolute levels as opposed to year over year changes. Respondents indicated fairly high levels of confidence in the overall quality of ESG reporting as well as other organizations' reporting (69% and 65%, respectively) **(Figure 7)**. Notably, 9 in 10 respondents say they are confident in their own organization's reporting.

## Respondents indicate high levels of confidence in reporting.

While confidence in overall ESG reporting is relatively high, respondents continue to call for standardization, regulation and independent auditing to further increase their confidence.

WHAT WOULD MAKE INVESTORS FEEL MORE CONFIDENT IN REPORTING?

"**Standardized disclosures and definitions**, including Canadian CSSB guidelines and taxonomies."

***- Pension Member, Asset Owner***

"**Advancement of global standardization** of ESG quality score metrics, ESG ratings, ESG and Climate Change regulations, and Climate Scenario Analysis."

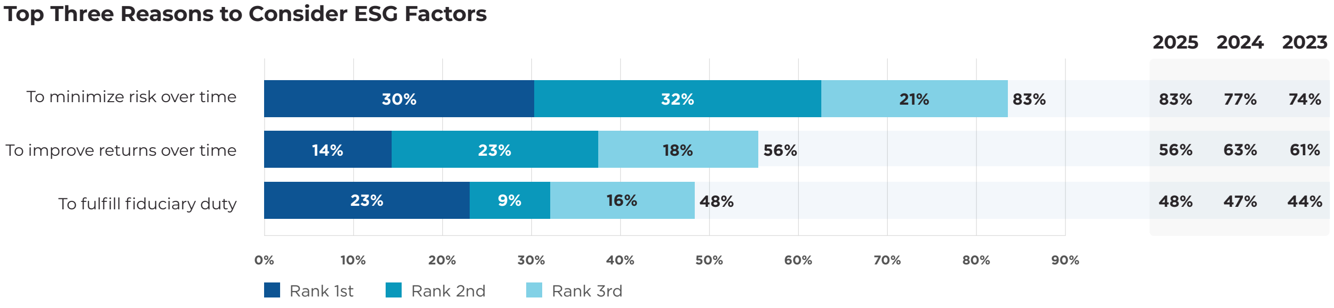
***- Pension Member, Asset Owner***

# KEY ESG FACTORS IN INVESTMENT DECISIONS

Consistent with prior years, "To minimize risk over time" was ranked the as the top reason to consider ESG factor when making investment decisions **(Figure 8)**. Improving returns and fiduciary duty continue to rank second and third, respectively. While this ranking remains consistent, it is notable that risk minimization increased significantly over the last two years, while returns saw a decline. The increasing focus on risk stems from broad recognition that ESG factors can be financially material and can either contribute to, or detract from, investment performance. This also supports the earlier observation that ESG integration has become the top RI strategy and is widely incorporated into investment decision making and portfolio construction.

Other factors considered include meeting client demand (42%), fulfilling mission, purpose or values (26%, down materially from 41%), to pursue social or environmental impact (22%), to meet legislative/regulatory requirements (14%) and to reward/punish ESG outcomes (9%).

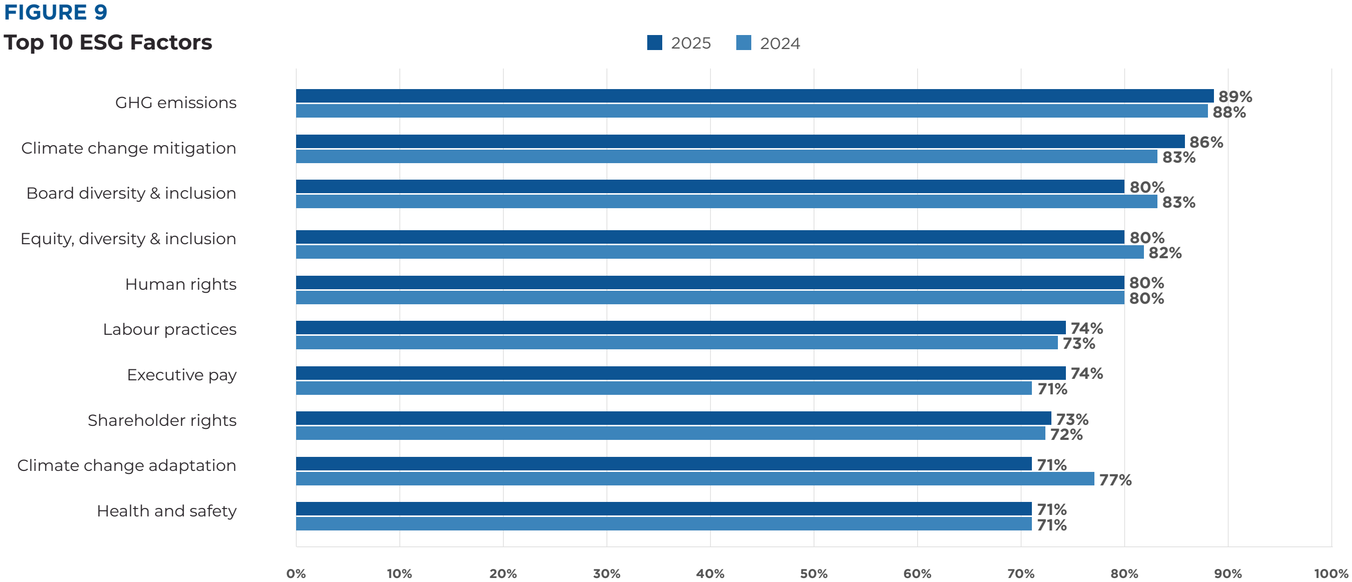
**FIGURE 8**
**Top Three Reasons to Consider ESG Factors**




## Risk minimization increased significantly, while improving returns declined.

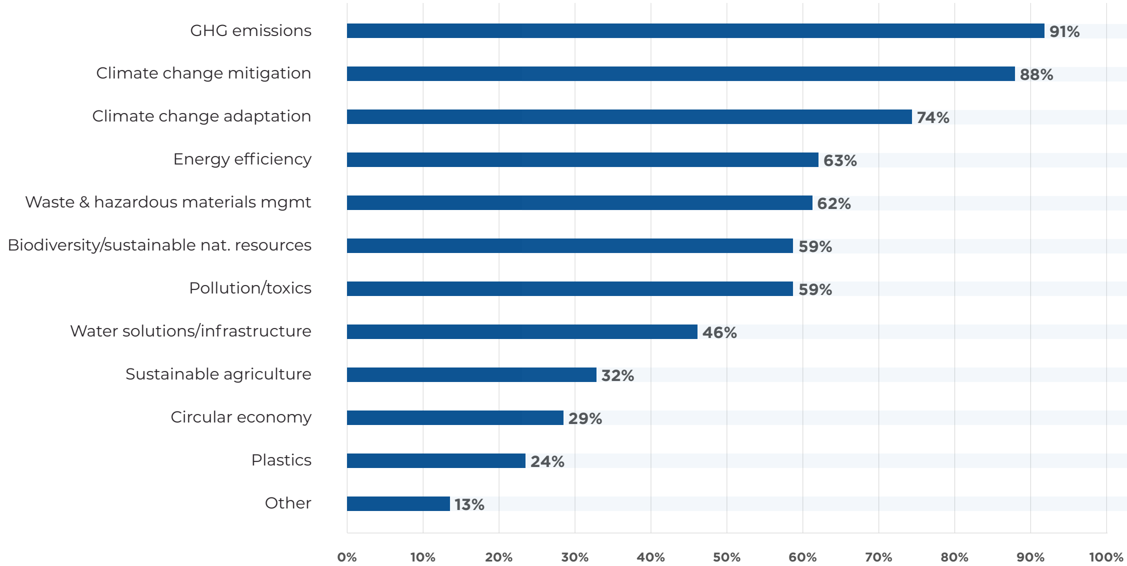
Respondents were asked to rank ESG factors that are systematically considered in their organization's investment decisions. The top three factors, consisting of two environmental and one governance factor, remain consistent with last year's report with a slight decrease in board diversity and inclusion and an increase in climate change mitigation **(Figure 9)**. Most of the other factors maintained a similar rank, with the exception of climate change adaptation which saw a decline.

**FIGURE 9**
**Top 10 ESG Factors**



Environmental factors considered remain relatively unchanged this year, with the same top five and very little change in other factors **(Figure 10)**.

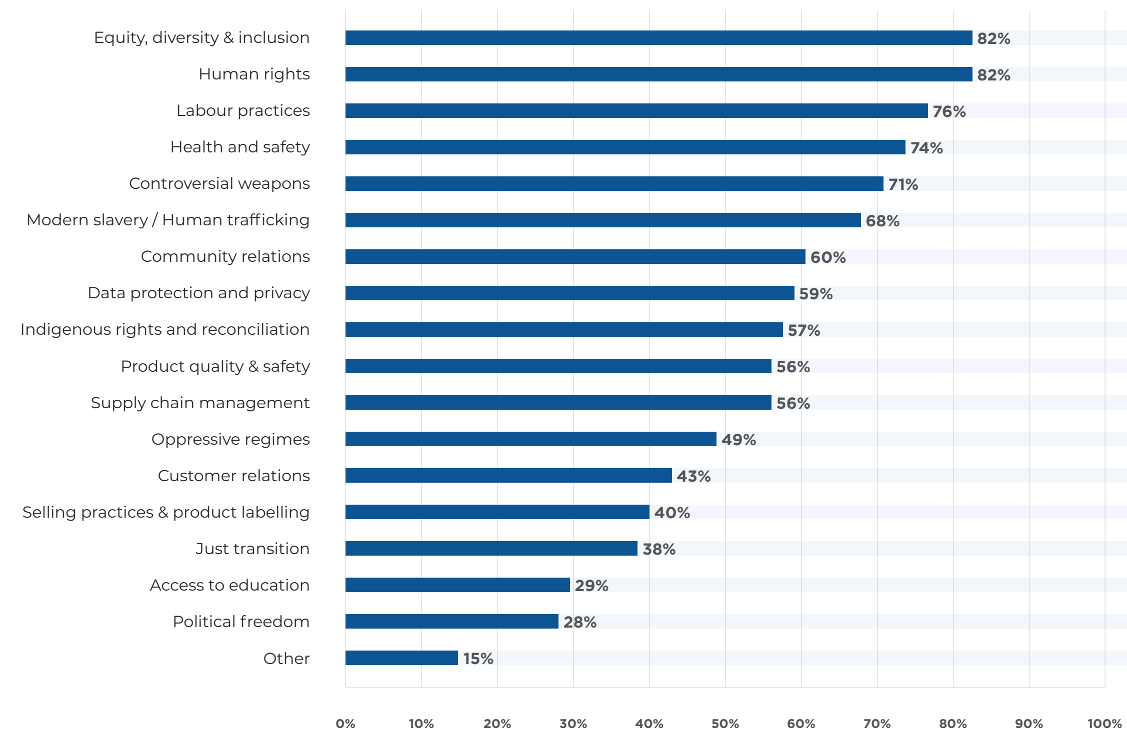
**FIGURE 10**
**Environmental Factors**




| | 2025 | 2024 | 2023 |
|---|---|---|---|
| GHG emissions | 91% | 88% | 93% |
| Climate change mitigation | 88% | 83% | 84% |
| Climate change adaptation | 74% | 77% | 76% |
| Energy efficiency | 63% | 65% | 63% |
| Waste & hazardous materials mgmt | 62% | 59% | 56% |
| Biodiversity/sustainable nat. resources | 59% | 58% | 55% |
| Pollution/toxics | 59% | 55% | 50% |
| Water solutions/infrastructure | 46% | 53% | 50% |
| Sustainable agriculture | 32% | 35% | 39% |
| Circular economy | 29% | 33% | - |
| Plastics | 24% | 24% | - |
| Other | 13% | 11% | 5% |

The ranking of social factors was also consistent with the prior study, with Equity, Diversity and Inclusion tied for top spot with human rights **(Figure 11)**. However, controversial weapons and modern slavery each saw notable increases, while supply chain management and just transition both declined.

**FIGURE 11**
**Social Factors**

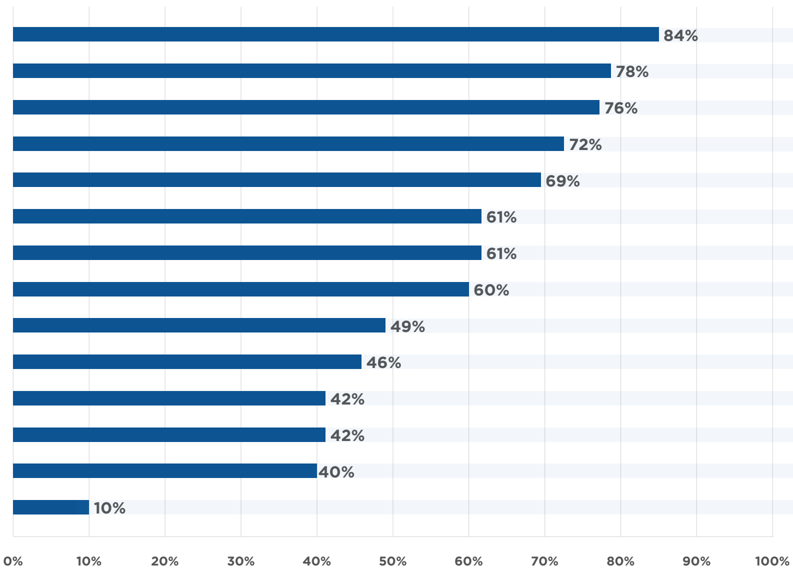



| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Equity, diversity & inclusion | 82% | 82% | 81% |
| Human rights | 82% | 80% | 76% |
| Labour practices | 76% | 73% | 76% |
| Health and safety | 74% | 71% | 71% |
| Controversial weapons | 71% | 65% | 54% |
| Modern slavery / Human trafficking | 68% | 61% | 56% |
| Community relations | 60% | 57% | 52% |
| Data protection and privacy | 59% | 60% | 59% |
| Indigenous rights and reconciliation | 57% | 52% | 54% |
| Product quality & safety | 56% | 55% | 53% |
| Supply chain management | 56% | 63% | 62% |
| Oppressive regimes | 49% | 45% | 39% |
| Customer relations | 43% | 45% | 39% |
| Selling practices & product labelling | 40% | 46% | 38% |
| Just transition | 38% | 43% | 47% |
| Access to education | 29% | 31% | 29% |
| Political freedom | 28% | 33% | 27% |
| Other | 15% | 12% | 10% |

When it comes to governance factors, board diversity and inclusion ranked highest for the fourth year in a row **(Figure 12)**. The rest of the top five remain unchanged, with slight movement in the relative rankings. A notable increase in executive pay was also observed.

**FIGURE 12**

**Governance Factors**



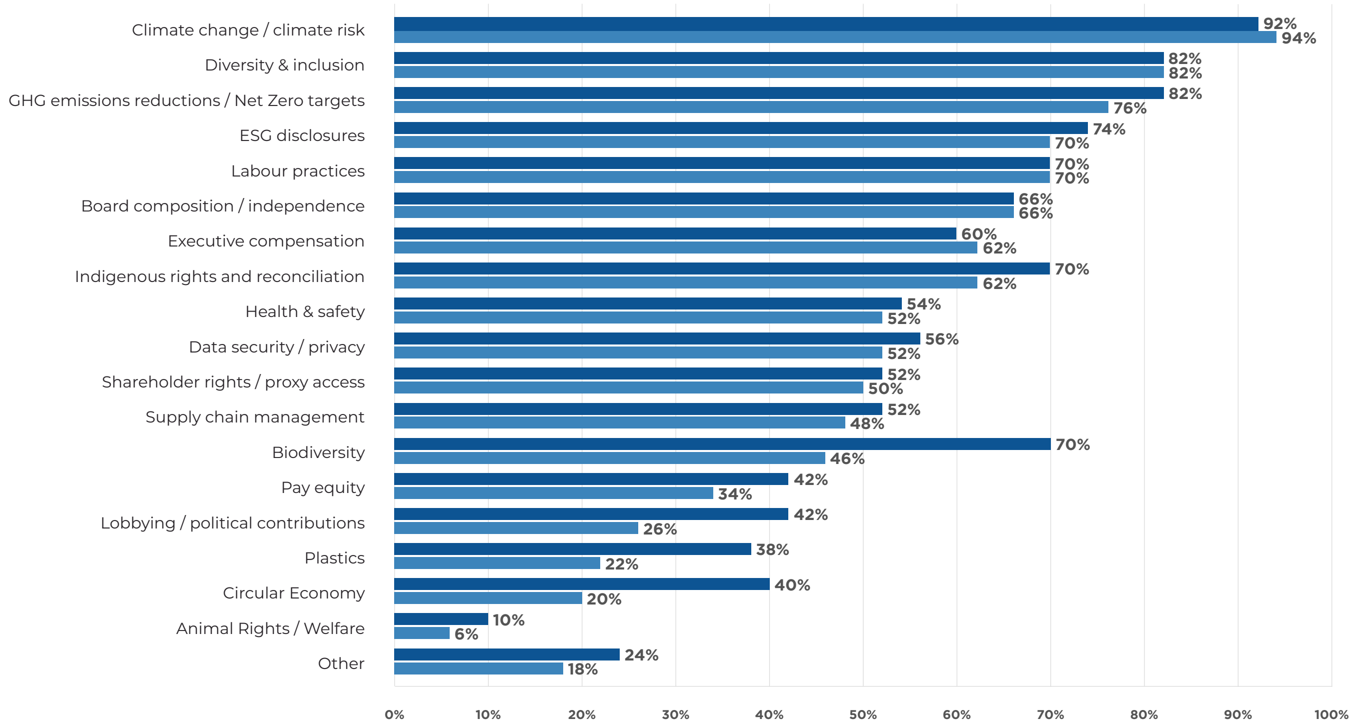

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Board diversity & inclusion | 84% | 83% | 87% |
| Executive pay | 78% | 71% | 71% |
| Shareholder rights | 76% | 72% | 70% |
| Independent directors | 72% | 67% | 66% |
| Bribery & corruption | 69% | 63% | 63% |
| Audit and financial reporting | 61% | 59% | 63% |
| Director nominations | 61% | 55% | 57% |
| Supply chain risk | 60% | 61% | 59% |
| Global risk | 49% | 47% | 49% |
| Cybersecurity | 46% | 49% | 49% |
| Culture | 42% | 46% | 51% |
| Political contributions / lobbying | 42% | 37% | 38% |
| Tax avoidance | 40% | 37% | 39% |
| Other - Governance | 10% | 10% | 5% |

## Stewardship Issues

Climate change/risk, net zero targets and diversity and inclusion are the most prominent issues that respondents address through stewardship programs, consistent with last year **(Figure 13)**. These issues are also expected to remain relatively consistent in the coming two to five years. Interestingly, biodiversity, plastics and circularity and Indigenous rights saw notable increases in expected use. The increase in expected use of biodiversity and plastics/circularity is interesting as they ranked below the top five Environmental factors considered by respondents.

**FIGURE 13**

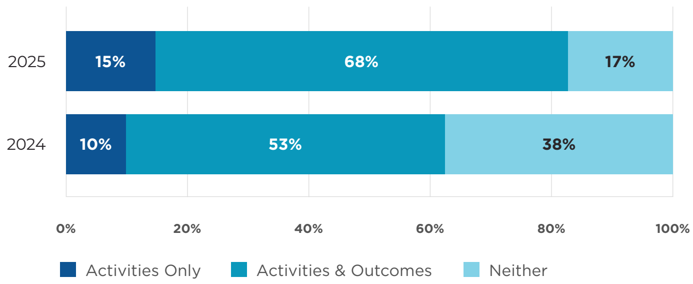
**Issues addressed by Stewardship Programs**



## Stewardship Reporting

With a baseline established in the 2024 RI Trends Report[6], respondents' reporting of stewardship activities and outcomes saw a notable increase this year (68% vs 53%) **(Figure 14)**. This increase correlates with the high levels of confidence observed by respondents regarding their organizations' reporting.

**FIGURE 14**
**Stewardship Reporting**

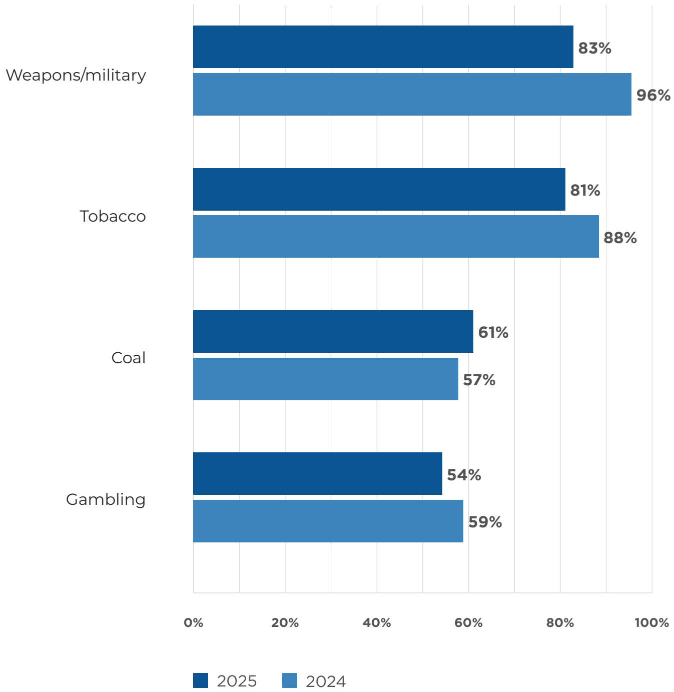



| ESG STEWARDSHIP | 2025 | 2024 |
|---|---|---|
| Incidence of Use | 75% | 72% |
| Proportional Use | 82% | 86% |

## Negative Screening

Along with the slight decline in the proportional use of screening shown earlier, most negative screening topics saw directionally less use compared to 2024, with the exception of Coal, Human Rights/Abuses and Conflict Zones **(Figure 15)**. Weapons/military saw the most notable decline, reverting back to levels seen in 2022 after rising steadily for the last few years. This may be due to investors relaxing constraints related to the defense sector as countries ramp up defense spending in the face of rising global conflicts.

**FIGURE 15**
**Negative Screening Topics: Usage Rates**



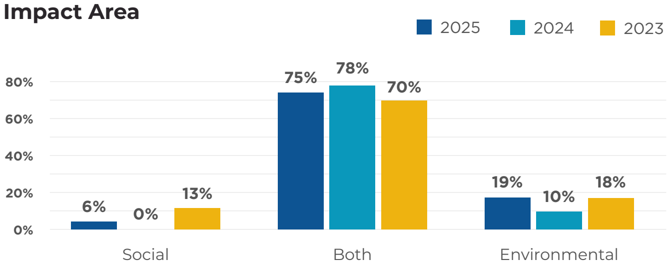

| ESG SCREENING | 2025 | 2024 |
|---|---|---|
| Incidence of Use | 83% | 84% |
| Proportional Use | 67% | 71% |

6. *2024 Canadian Responsible Investment Trends Report*, Responsible Investment Association, 2024.

## Impact Investing

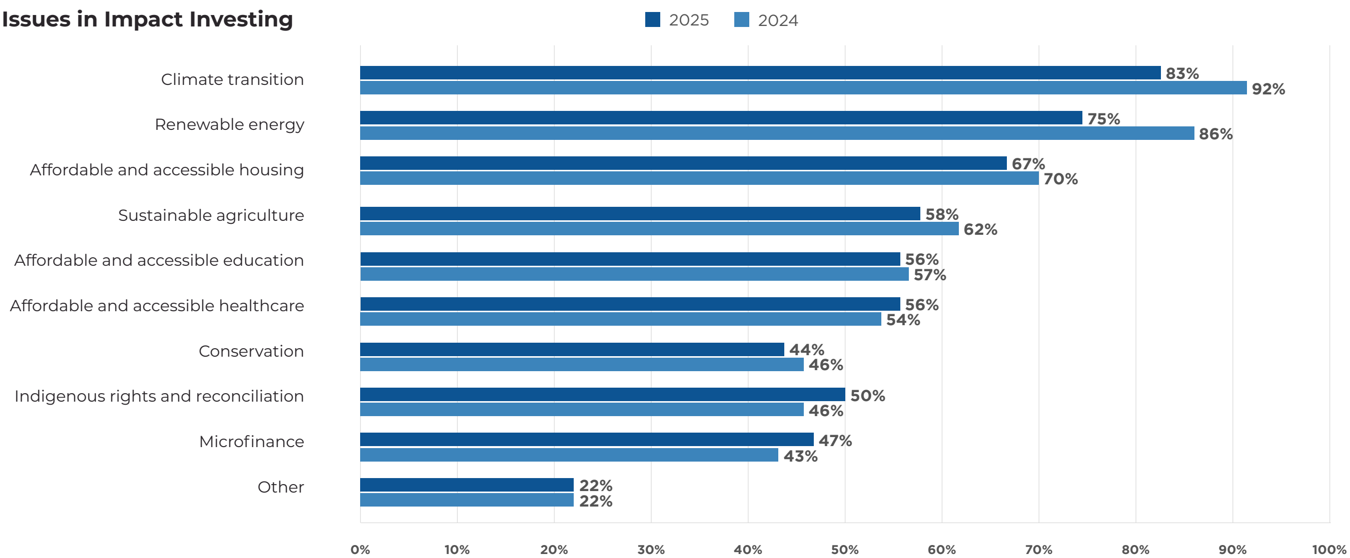
Consistent with prior years, most respondents (75%) consider both social and environmental issues in their impact investing objectives **(Figure 16)**. While Indigenous rights and reconciliation and micro finance saw an increase in prominence, most issues reported a decline. Most notably, climate transition and renewable energy recorded meaningful declines in impact investing objectives **(Figure 17)**.

**FIGURE 16**
**Impact Area**




| IMPACT INVESTING | 2025 | 2024 |
|---|---|---|
| Incidence of Use | 48% | 46% |
| Proportional Use | 26% | 33% |

**FIGURE 17**
**Issues in Impact Investing**



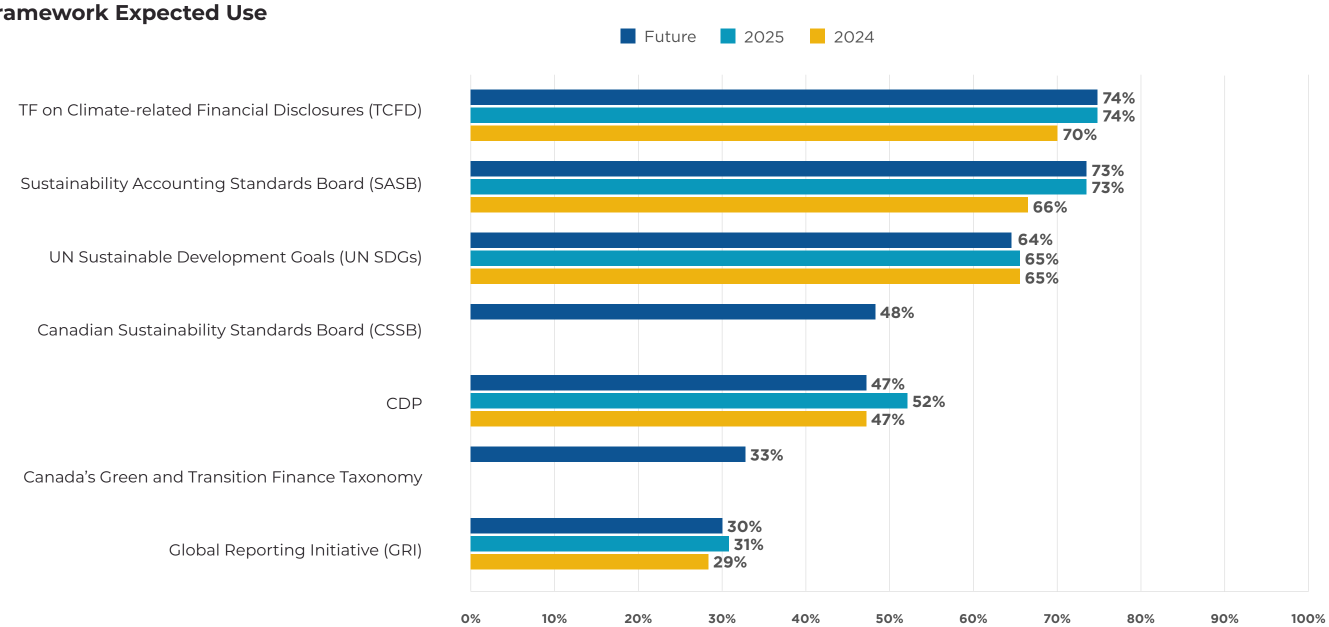

## Frameworks, Standards and Norms

When asked which ESG frameworks were incorporated into their investment analysis, respondents once again pointed to the same top three **(Figure 18)**. Specifically, these include the Taskforce on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and the UN Sustainable Development Goals (UN SDGs) (74%, 73% and 64% respectively).

In December 2024, the Canadian Sustainability Standards Board (CSSB) officially released the Canadian Sustainability Disclosure Standards (CSDS 1 & 2) which are aligned with the International Sustainability Standards Board's (ISSB) standards. Having just been released, respondents once again reported on expected future use. While they are still highly ranked, this year saw a slight decline in expected use to 48% from 53% in 2024. This may reflect the fact that in early 2025 regulators announced a pause on instituting mandatory disclosure, leaving the CSDS voluntary to adopt. Expected use of Canada's Green and Transition Finance Taxonomy also declined slightly (to 33% from 38%), as further developments on this initiative are still forthcoming.

Overall, as indicated by respondents' expectations in last year's report the mean number of frameworks in use increased to 4.1 from 3.3 in 2024, and 2.9 in 2023. This trend is expected to continue over the next 2 to 5 years, with respondents expecting to use 5.3 frameworks on average. This further increase may reflect the delay in the CSSB standards, as they incorporate elements of SASB, GRI and TCFD and only once fully implemented would result in streamlining of framework use.

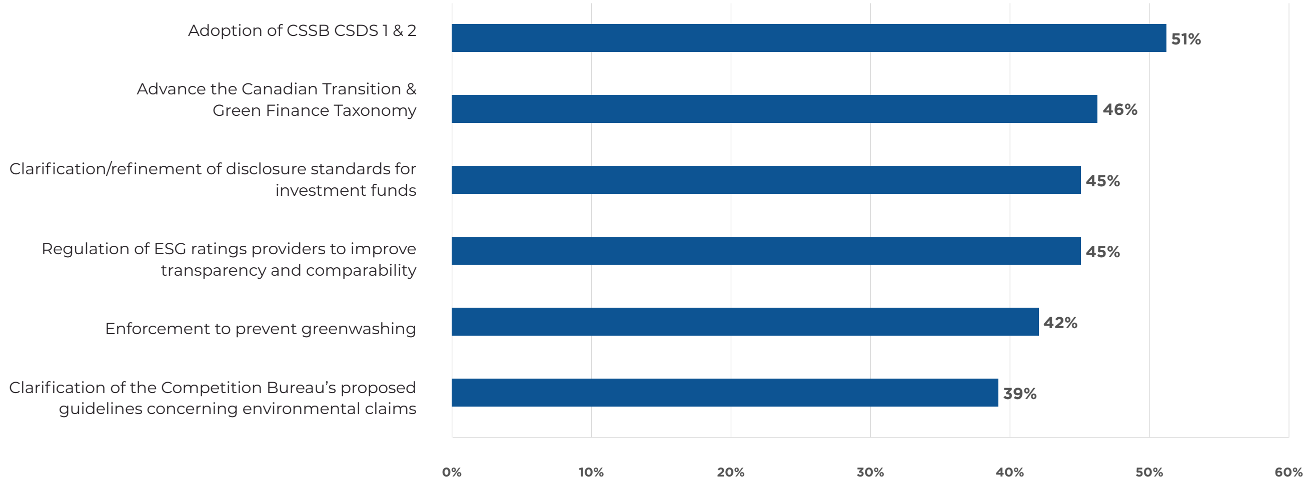
**FIGURE 18**
**Framework Expected Use**




A new question this year, respondents were asked what policymakers should prioritize as it relates to responsible investment frameworks and regulations. Half of respondents say that policymakers should prioritize the adoption of the CSSB CSDS 1 and 2 **(Figure 19)**. While it isn't surprising that this was ranked highest, it is somewhat interesting that the Competition Bureau's proposed guidelines concerning environmental claims (Bill C-59) ranked last. This may reflect the view that mandatory adoption of CSDS could potentially mitigate some risks associated with C-59's enforcement of anti-greenwashing provisions in certain circumstances.

**FIGURE 19**

**Priorities for Policymakers**

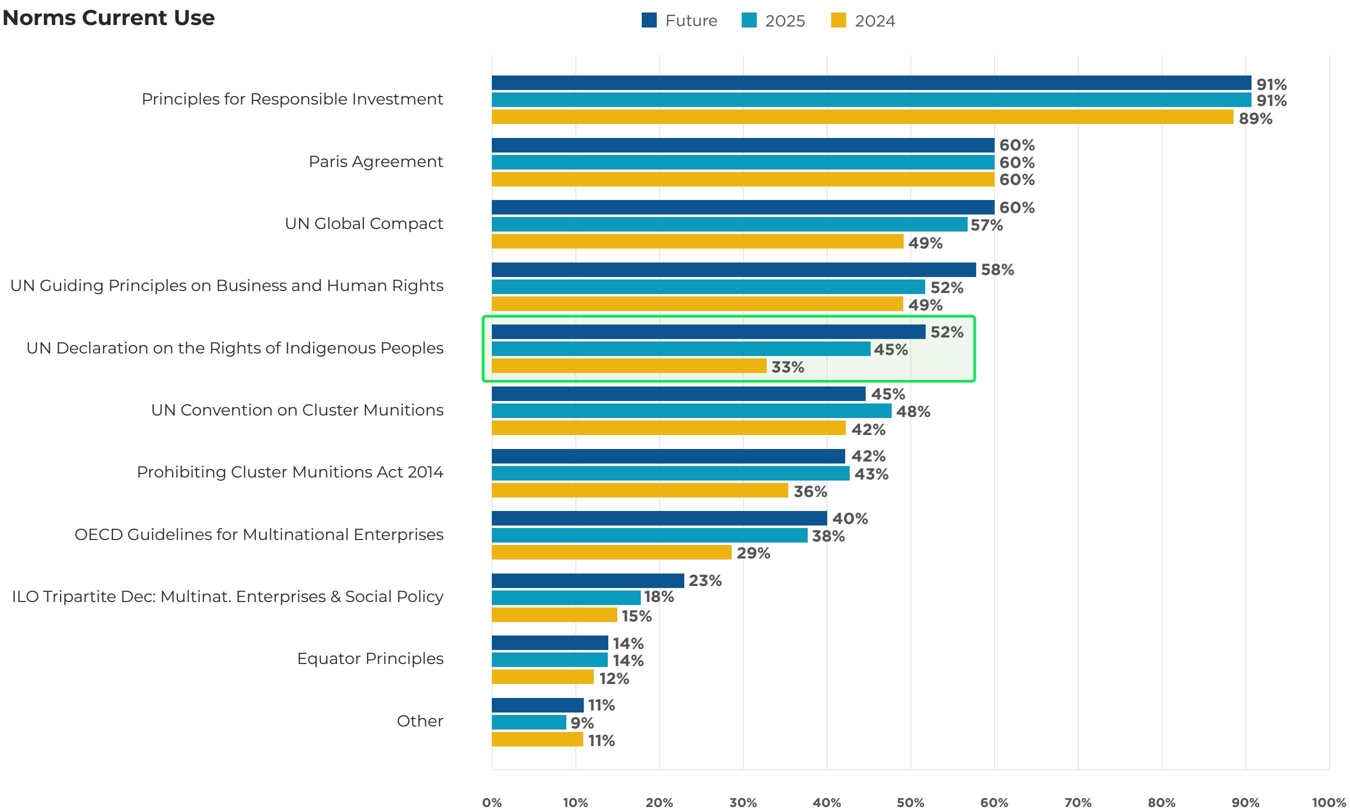



When asked which norms (international conventions and treaties) were incorporated into their investment analysis the top three continue to be the Principles for Responsible Investment, the Paris Agreement, and the UN Global Compact (91%, 60% and 60%, respectively) **(Figure 20)**. A notable increase was observed in the use of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), with further increases expected in the future. This trend is consistent with the 2024 RI Trends Report where respondents anticipated higher use over the next 2 to 5 years. Respondents also expect more use of the UN Guiding Principles on Business and Human Rights.

As was seen with the use of frameworks, the use of norms has increased steadily since 2023. Specifically, on average 4.8 norms were reported, up from 4.3 in 2024 and 3.2 in 2023. This trend is also expected to continue, with respondents expecting to use 5.0 norms in the next 2 to 5 years.

**FIGURE 20**

**Norms Current Use**



## Value of Information Sources

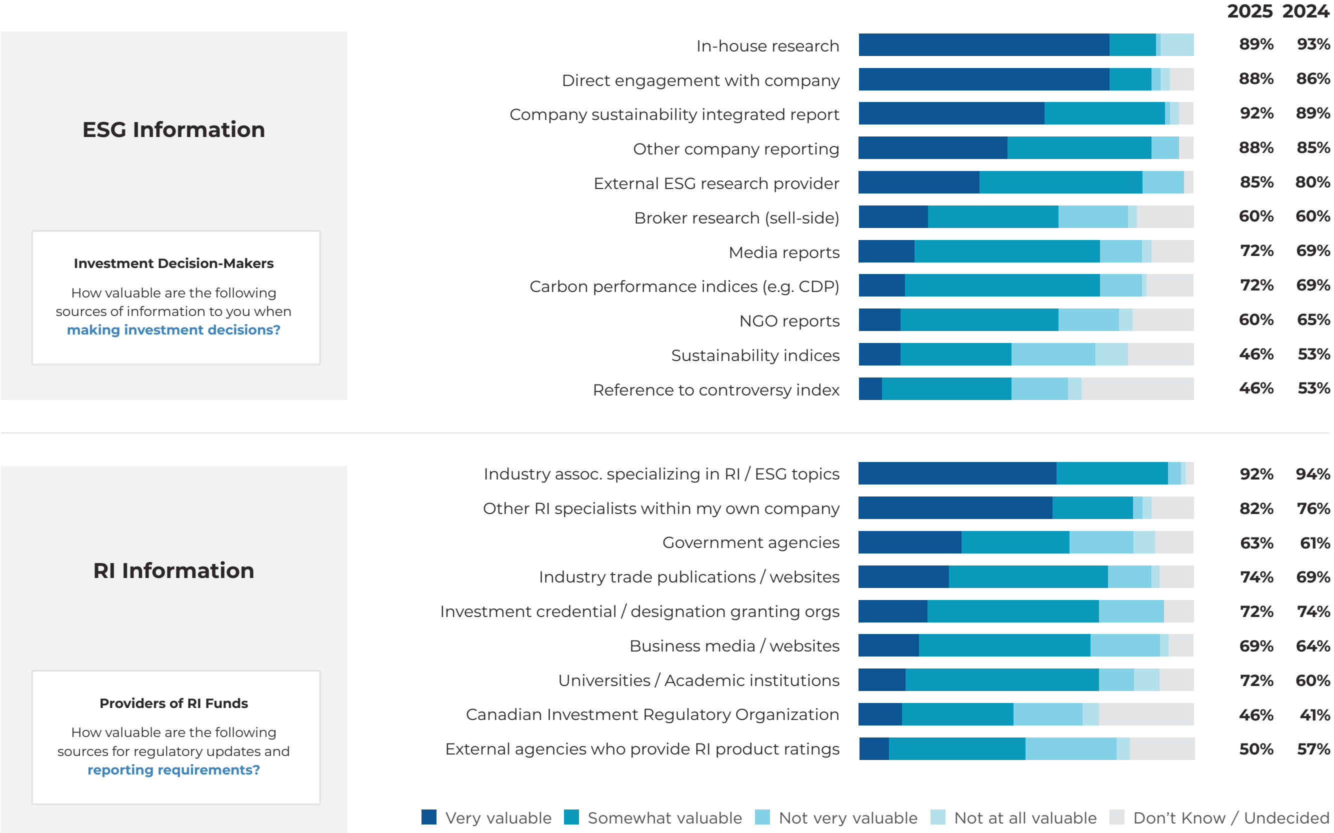
### Value of ESG Related Information Sources

With standardized sustainability disclosures still absent in Canada, respondents were asked how valuable certain information sources are in supporting their investment decisions. This year integrated sustainability reports ranked highest overall, surpassing in-house research **(Top of Figure 21)**. However, when looking at what are considered "very valuable" sources of ESG related information, respondents overwhelmingly ranked in-house research and direct engagement with companies (each at 75%). This is consistent with the ranking in last year's report and highlights the need for more robust and standardized disclosure.

### Value of RI Specific Information Sources

Given the ongoing changes and updates in the responsible investing landscape, respondents were asked to assess sources of information that they rely on for staying up to date on things like changing regulations and reporting requirements. Consistent with last year's report, industry associations specializing in RI/ESG topics are considered the most valuable information sources, followed by in-house RI specialists **(Bottom of Figure 21)**. Notable increases were observed with in-house RI specialists as well as universities/academic institutions.

**FIGURE 21**
**Information Sources**




**In the absence of standardized disclosure investors must rely on in-house research and direct company engagement with issuers. Efficiencies could be gained by issuers and investors with more robust standardized disclosure.**

## GHG Emissions: Tracking, Targets and Net Zero

Consistent with last year, there is a continued directional increase in the setting of net zero targets.

### Tracking

There is a directional increase in the number of organizations that are measuring the carbon intensity of portfolios **(Figure 22)**.

**FIGURE 22**
**Measuring Carbon Intensity of Portfolio**

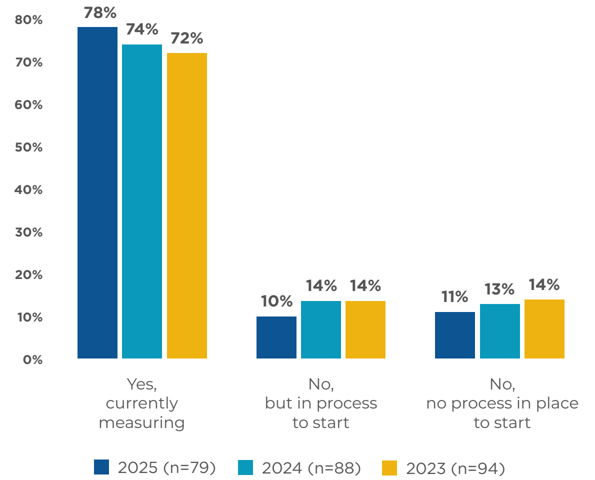
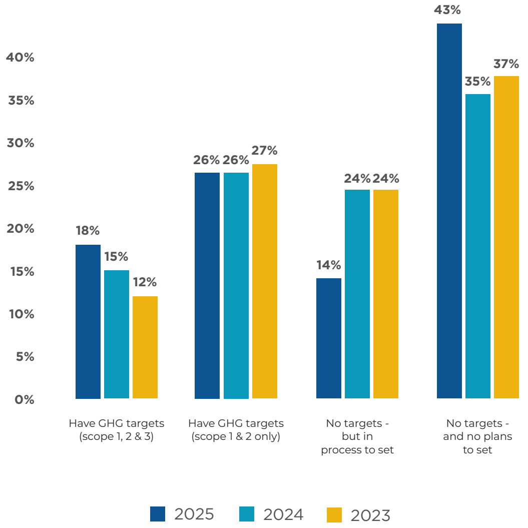



**FIGURE 23**
**Organization has GHG reduction targets for investments:**



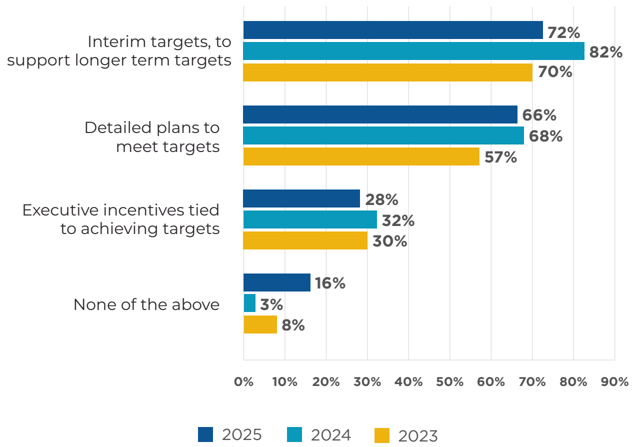

### Targets

Of those measuring carbon intensity, there is an increase in the number of organizations that don't have targets and don't have plans to start. However, there is also a directional increase in those that have set scope 1, 2 and 3 targets **(Figure 23)**.

### Support for GHG Reduction Targets

For those that have GHG targets, this year saw a moderation in the use of interim targets, detailed plans or incentives tied targets. It is possible that organizations are supporting net zero targets with methods not listed in this study **(Figure 24)**.

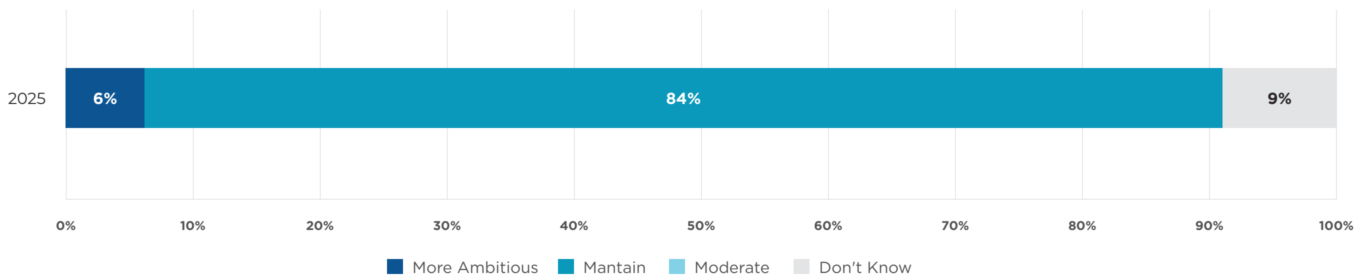
**FIGURE 24**
**Targets are supported by:**



Over the last year there have been announcements by companies and investors about abandoning climate commitments including net zero targets. Whether it is due to greenwashing concerns or pressure from anti-ESG pushback emanating from other jurisdictions, these announcements have caused confusion about the level of commitment to climate action. Against this backdrop, organizations with targets were asked how they anticipate changing their GHG reduction targets over the next two years. Encouragingly, most respondents (84%) say that the plan to maintain their targets, and a small number plan to set more ambitious ones **(Figure 25)**. None of the organizations indicate that they plan to moderate their targets, and a small number said they don't know.

**FIGURE 25**

**Anticipated Change To Targets**

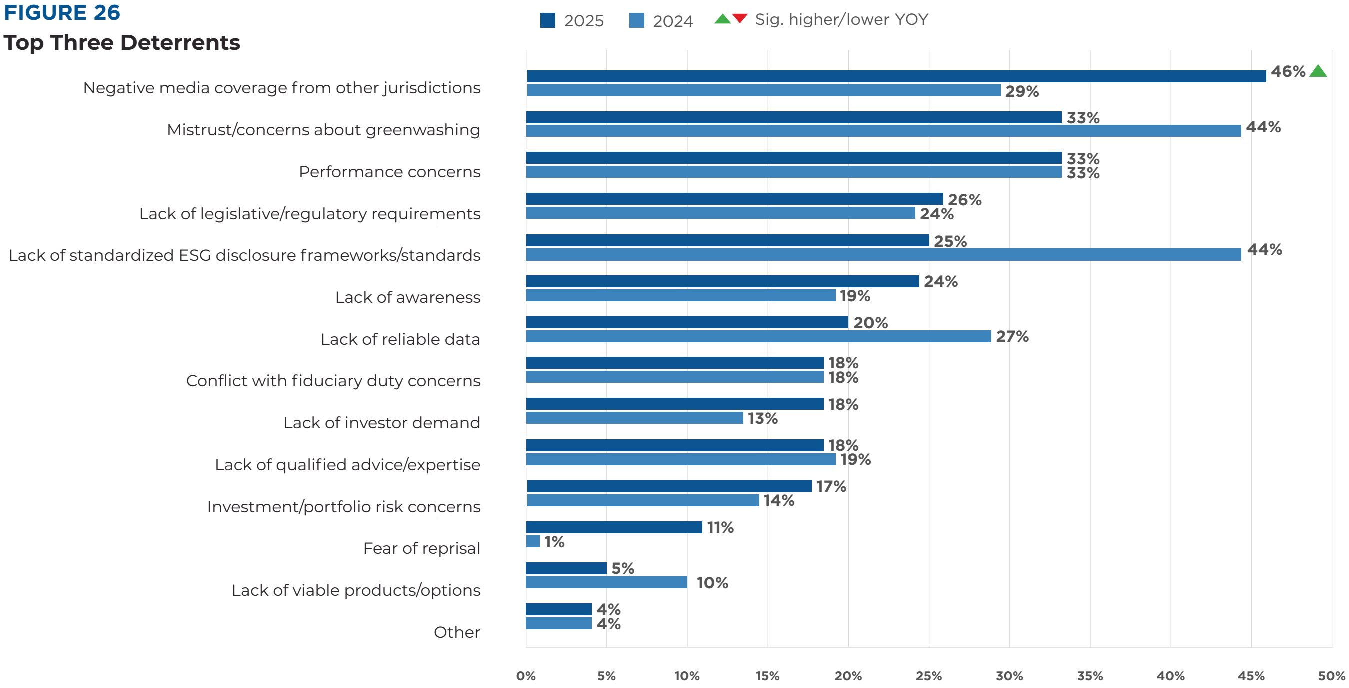



# THE FUTURE OF RI

## RI Growth Deterrents

There are several notable changes in the deterrents to RI growth cited by respondents in this year's survey. The top deterrent is now seen to be negative media coverage from other jurisdictions, rising to 46% from 29% last year **(Figure 26)**. This isn't necessarily a surprise given the myriad of anti-ESG headlines witnessed over the last year. Mistrust/concerns about greenwashing was surpassed by negative media coverage and is now much less of a concern, falling from the top spot at 64% in 2023 to 33% this year. Lack of standardized ESG disclosure frameworks also declined from 44% in 2024 to 25% (57% in 2023). Similar declines were seen for lack of reliable data, declining to 20% from 27% last year (and 51% in 2023). So overall concerns about frameworks, data quality and mistrust have been somewhat mitigated, potentially as respondents increase expectations for standardized disclosure as well as regulatory efforts to combat greenwashing.

**FIGURE 26**
**Top Three Deterrents**




### What Deterrents Ranked 1st the Most?

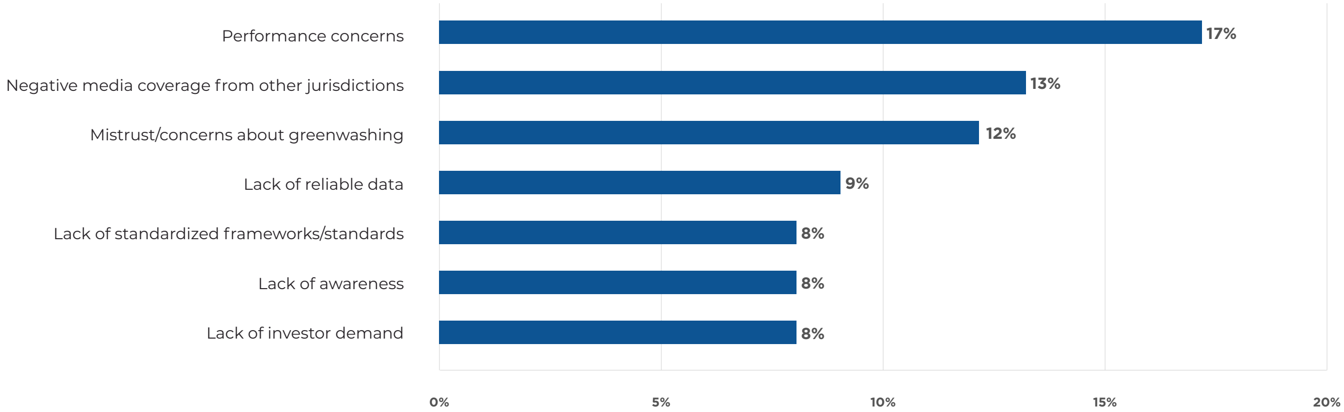
While the relative ranking of performance concerns remained unchanged, they were cited by most respondents as the number one deterrent to RI growth **(Figure 27)**. This factor gained prominence last year, and has remained top of mind for respondents. As seen in the 2025 Advisor RI Insights Study[7], performance concerns were cited by some advisors for not offering RI in their practice. Both users and non-users of RI were also seen to be most interested in performance data.

Lack of interest was ranked last, supporting findings from the 2025 RIA Investor Opinion Survey[8] which found strong retail investor demand for RI.

**Addressing performance concerns is critical to reduce barriers to RI adoption.**

7. *2025 Advisor RI Insights Study*, Responsible Investment Association, 2025.
8. *2025 RIA Investor Opinion Survey*, Responsible Investment Association, 2025

**FIGURE 27**
**Deterrent ranked 1st**

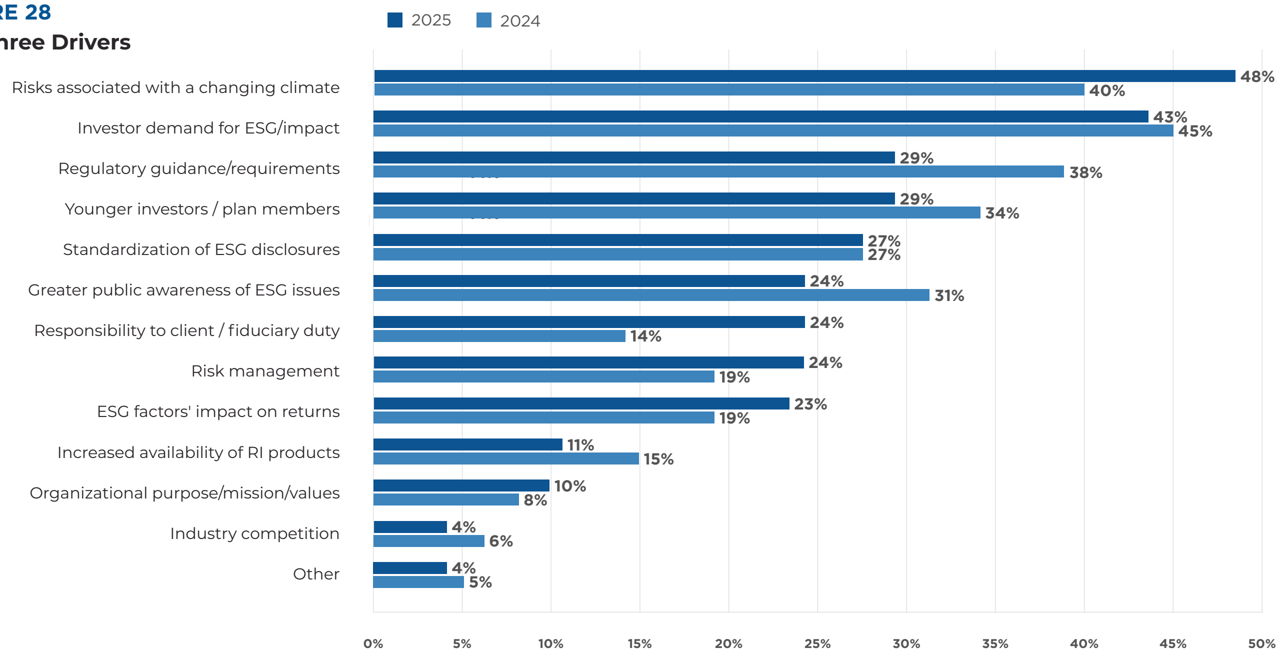



## RI Growth Drivers

When it comes to assessing the main drivers of growth in RI over the next two years, the ranking of the top three reverted back to what was observed in 2023. Specifically, risks associated with a changing climate rebounded to take the top spot at 48% (after declining from 63% in 2023 to 40% in 2024) **(Figure 28)**, followed by investor demand for ESG/impact which remained steady after declining last year (and from 57% in 2023 to 45% in 2024), with regulatory guidance ranking third.

After a significant increase last year, younger investors are still seen to be meaningful contributors to the growth of RI over the next two years. Other notable changes include an increase in overall risk management, as well as responsibility to client/ fiduciary duty.

**FIGURE 28**
**Top Three Drivers**




## Risk mitigation and investor demand to drive growth in RI.

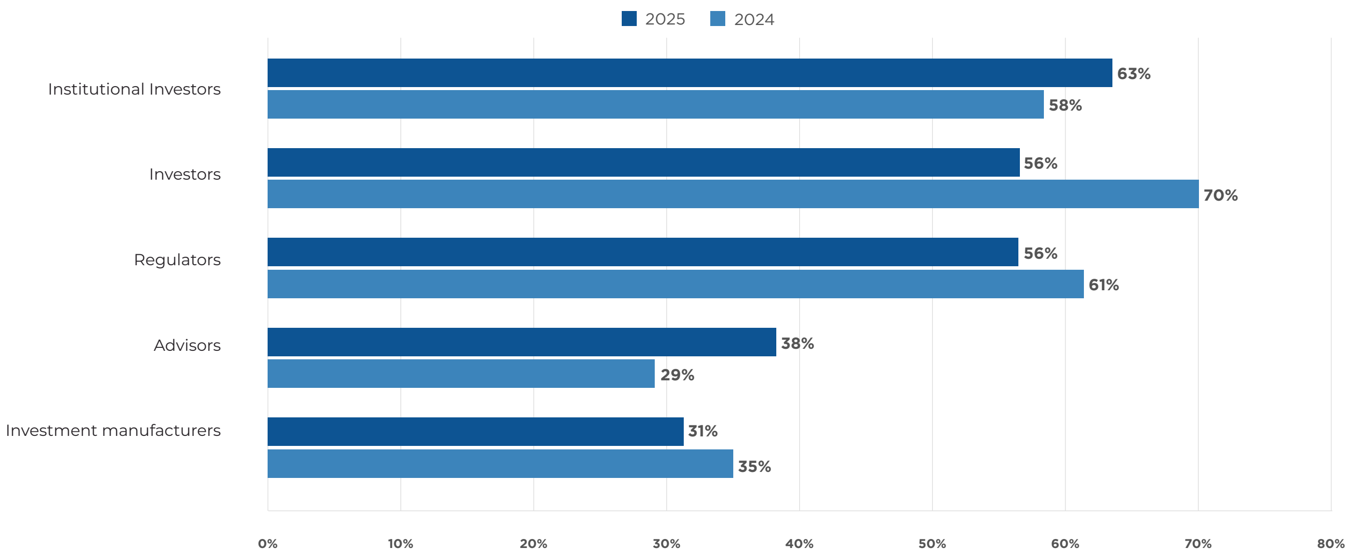
## Evolving Sources of RI Growth in Canada

Once again, respondents were asked to opine on where growth in RI will come from over the coming 2 to 5 years. This year, institutional investors surpassed retail investors as drivers of growth in RI **(Figure 29)**. Those expecting retail investors to drive growth declined meaningfully to 56% from 70%, which contrasts with the strong investor interest seen in the 2025 RIA Investor Opinion Survey[9]. Interestingly, the opposite was seen for Advisors. Those expecting this group to drive growth in RI increased from 29% to 38%, which is at odds with the declining adoption of RI by advisors in the 2025 RIA Advisor RI Insights Study[10].

Understanding these contrasting perspectives is clearly needed to address deterrents and unlock the growth potential of RI in Canada.

**FIGURE 29**

**Groups that will drive growth (2-5 years)**




9. *2025 RIA Investor Opinion Survey*, Responsible Investment Association, 2025

10. *2025 Advisor RI Insights Study*, Responsible Investment Association, 2025.

# FORGING AHEAD WITH FOCUS AND CONVICTION

The 2025 Canadian Responsible Investment Trends Report affirms that responsible investment in Canada remains firmly rooted in financial materiality. Risk management continues to be the primary driver for considering ESG factors, reflecting investors' focus on long-term value creation in an increasingly complex world. Climate risk has now emerged as the leading catalyst for RI growth, underscoring its centrality to Canada's economic competitiveness and investment landscape.

Stewardship and collaboration also stand out in this year's findings. Even as investors contend with diverging international regulatory approaches, they continue to engage actively, to steward capital responsibly, and to advance clearer expectations around sustainability-related risks and opportunities.

Confidence in ESG reporting remains strong, but investors are clear: greater standardization, through consistent definitions, regulatory clarity, and independent assurance is essential to improving transparency and strengthening trust.

Since the publication of the 2024 RI Trends Report, Canada and the world have faced intensified geopolitical uncertainty, trade disruption, and regulatory pauses. Some global markets have seen retrenchment or politicization of sustainability practices. These shifts have inevitably reshaped the operating environment for Canadian investors.

Yet the conviction of Canada's responsible investment community has not wavered. Rather than retreating, investors are staying the course, guided by evidence, focused on material risks, and committed to long-term value.

As we navigate the next chapter, one thing is clear: **maintaining Canada's global standing and ensuring competitive access to capital will require continued leadership, collaboration, and resolve**. By working together across sectors, geographies, and mandates we can meet today's challenges and seize tomorrow's opportunities, strengthening both Canada's economy and its sustainable future.

Responsible Investment Association

**ABOUT THE RIA**

The RIA is Canada's investment industry association with a purpose of entrenching responsible investment (RI) in Canada's financial ecosystem. The RIA's membership includes asset managers, asset owners, advisors and service providers. Institutional members collectively manage over $45 trillion in assets globally.

Learn more at www.riacanada.ca.