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Canada



2023 to 2027 Departmental Sustainable Development Strategy

Office of the Superintendent of Financial Institutions

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SECTION 1

Introduction to the Departmental Sustainable Development Strategy

The [2022 to 2026 Federal Sustainable Development Strategy \(FSDS\)](#) presents the Government of Canada's sustainable development goals and targets, as required by the [Federal Sustainable Development Act](#). This is the first FSDS to be framed using the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and provides a balanced view of the environmental, social and economic dimensions of sustainable development.

In keeping with the purpose of the Act, to make decision-making related to sustainable development more transparent and accountable to Parliament, the Office of the Superintendent of Financial Institutions (OSFI) supports the goals laid out in the FSDS through the activities described in this Departmental Sustainable Development Strategy (DSDS).

The [Federal Sustainable Development Act](#) also sets out [seven principles](#) that must be considered in the development of the FSDS as well as DSDSs. These basic principles have been considered and incorporated in OSFI's DSDS.

In order to promote coordinated action on sustainable development across the Government of Canada, OSFI's strategy



integrates efforts to advance Canada's implementation of the 2030 Agenda National Strategy, supported by the Global Indicator Framework (GIF) and Canadian Indicator Framework (CIF) targets and indicators.

SECTION 2

Office of the Superintendent of Financial Institutions' Sustainable Development Vision

Canada and countries worldwide will and are already taking action on climate change, including by hastening the transition to low-greenhouse gas (GHG) economies. Such developments, as well as the physical impacts of climate change, entail new and emerging risks that federally regulated financial institutions (FRFIs) and federally regulated pension plans (FRPPs) must navigate in ensuring their safety and soundness.

OSFI regulates and supervises some 400 financial institutions and 1,200 pension plans in Canada. We develop rules, interpret legislation and regulations, and provide regulatory approvals for certain types of transactions. We also analyze financial, security, and economic trends to identify emerging issues that could adversely affect institutions, including their integrity or security. We assess an institution's financial condition, material risks, and the quality of its governance, risk management, and compliance. When we identify weaknesses, we intervene early and promptly by advising executive management, boards, and pension plan administrators so that they carry out corrective measures to deal with weaknesses without delay.

Through our actions and engagement, we will build and refine an effective regulatory and supervisory framework that accords with the following vision: Canadian FRFIs and FRPPs have mature climate-risk management practices and remain resilient against severe climate-related events and risks related to the transition towards a low-carbon economy.

OSFI supports the effective management of climate risk through stakeholder and partner engagement, both domestically and internationally. We actively participate in Canada's Sustainable Finance Action Council, the Network for Greening the Financial System, the Basel Committee on Banking Supervision, the Financial Stability Board, the Sustainable Insurance Forum, and the International Association of Insurance Supervisors. In fall 2022, we launched one of the broadest consultations in our history on the ways FRFIs define, identify, measure, and build resilience to

climate-related risks. The results of those consultations are reflected in the [Guideline B-15 – Climate Risk Management](#), released in March 2023.

The Office of the Chief Actuary (OCA), which is an independent unit within OSFI that provides a range of actuarial valuation and advisory services to the Government of Canada, is responsible for contributing to public confidence in the resilience and soundness of the Canada Pension Plan (CPP) as well as other programs that fall under its responsibility. As part of this mandate, the OCA integrates climate-related risks into its assessment and valuation services. For example, in the 31st [Actuarial Report on the Canada Pension Plan](#), the OCA illustrated the potential risks to the financial sustainability of the CPP due to climate change. The OCA is also engaged with the International Social Security Association and the International Actuarial Association to develop guidance for social security actuaries on how to incorporate climate risk in actuarial work. A joint paper will be published in fiscal year 2024-2025.

SECTION 3

Listening to Canadians

As required by the *Federal Sustainable Development Act*, OSFI has taken into account comments on the draft 2022 to 2026 FSDS made during the public consultation held from March 11 to July 9, 2022. During the public consultation, more than 700 comments were received from a broad range of stakeholders, including governments, Indigenous organizations, non-governmental organizations, academics, businesses, and individual Canadians in different age groups and of various backgrounds. The draft FSDS was also shared with the appropriate committee of each House of Parliament, the Commissioner of the Environment and Sustainable Development, and the Sustainable Development Advisory Council for their review and comment.

What we heard

Based on submissions received, we identified sustainable development priorities and issues that affect us. In particular, we noted the key priorities related to providing more support for a just transition to net-zero emissions; and recognizing Indigenous perspectives and the importance of Indigenous rights, knowledge, and the need for capacity building and funding for meaningful engagement.

What we did

Through our regulatory and supervisory work and our engagement with partners, we have already begun addressing the transition risks that accompany the global economy's progression towards net-zero GHG emissions by 2050. In March 2023, we released [Guideline B-15 – Climate Risk Management](#), which sets out our prudential expectations related to FRFIs' sound management of climate-related risks, including those related to the process of transitioning toward a low-GHG economy. The Guideline aims to support FRFIs in developing greater resilience to, and the management of, these risks. The Guideline also sets out expectations that FRFIs will publically disclose current and potential future impacts of climate-related risks and opportunities whether it be on OSFI's dedicated website or through the organizations' own annual reports to shareholders. In OSFI's new Supervisory Framework, we have

included climate risk as a transverse factor when assessing FRFIs to determine the impact of current and potential future events on the safety and soundness of institutions.

On June 19, 2023, OSFI launched the Climate Risk Forum (CRF) to build awareness and capacity within Canada's financial sector to respond to climate-related risks. The CRF connects OSFI with domestic partners and stakeholders through industry information sessions, roundtables, workstreams, and practitioner sessions. The work done through the CRF will help the financial sector navigate the challenges of managing climate-related risks.

In the 2023-2024 fiscal year, we are collaborating with the Bank of Canada and provincial regulators on two standardized climate scenario analysis exercises. One exercise is to conduct an assessment of flood risk to Canadian residential real-estate lending by financial institutions, and the second exercise is an assessment of systemic implications of climate transition risk to the Canadian financial system. Additionally, we are incorporating climate risk considerations into supervisory assessments to promote financial and operational resilience.

The OCA has already begun addressing the transition risks that accompany the global economy's progression towards net-zero GHG emissions by 2050 through its statutory actuarial reports. To illustrate the potential risk for the CPP, the [31st Actuarial Report](#) as at December 31, 2021,¹ detailed three intentionally adverse hypothetical climate change scenarios based on publicly available information. The scenarios focused on differences in gross domestic product (GDP) growth rates from different transition pathways. Similar scenarios will also be included in the upcoming report on the Public Service Pension Plan as at March 31, 2023.

On incorporating Indigenous perspectives and recognizing the need for capacity building and funding, we have acted on various fronts, including consulting Indigenous groups during our broad consultations on the drafting of Guideline B-15, adopting the standard practice of inviting a minimum of one Indigenous supplier to bid on all professional services requests for proposal to provide ongoing opportunities to Indigenous businesses, and piloting the use of conditional set-asides for Indigenous businesses to provide them with additional opportunities. Furthermore, we

¹ The 31st Actuarial Report was tabled in Parliament on December 14, 2022.

plan to co-create the Reconciliation Action Plan with Indigenous partners and employees in support of the 94 Calls to Action of the Truth and Reconciliation Commission. We also plan to increase our employees' cultural competencies and awareness of issues related to First Nations, Inuit, and Métis in Canada through cultural competency training and the Kairos Blanket Exercise.

Find more information on the FSDS public consultation and its results in the [FSDS Consultation Report](#).

SECTION 4

Office of the Superintendent of Financial Institutions' commitments

OSFI's mandate supports three FSDS SDGs.





GOAL 10: ADVANCE RECONCILIATION WITH INDIGENOUS PEOPLES AND TAKE ACTION ON INEQUALITY

FSDS context:

OSFI undertakes deliberate actions on a number of fronts to implement the Call to Action on Anti-racism, Equity, and Inclusion and to combat racism, bolster diversity and equity, while fostering inclusion. Through the implementation of the Diversity, Equity and Inclusion Action Plan, we are well on our way to achieving a diverse and representative workforce. In fact, we have surpassed the workforce availability target for women, persons with disabilities, and members of a visible minority, and are actively working to increase representation of Indigenous Peoples. We support the Government of Canada's commitment to increase opportunities for First Nations, Inuit, and Métis businesses through the federal procurement process. Through the [Blueprint for OSFI's Transformation 2022 - 2025](#), we have committed to advancing diversity, equity, and inclusion initiatives at all levels of the organization for Indigenous Peoples and other equity-seeking groups.

Target theme: Advancing reconciliation with First Nations, Inuit, and the Métis communities

Target: Between 2023 and 2026, and every year on an ongoing basis, develop and table annual progress reports on implementing the *United Nations Declaration on the Rights of Indigenous Peoples Act* (Minister of Justice and Attorney General of Canada)

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA'S 2030 AGENDA NATIONAL STRATEGY AND SDGS
<p>Implement the <i>United Nations Declaration on the Rights of Indigenous Peoples Act</i>.</p>	<p>Support the Government of Canada's commitment that a mandatory minimum target of 5% of the total value of contracts is awarded to Indigenous businesses.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of contracts with Indigenous businesses</p> <p>Starting point: 6% as of March 31, 2023</p> <p>Target: 5% (annual)</p>	<p>This action encourages economic reconciliation with Indigenous Peoples and will contribute to improved socio-economic outcomes by increasing opportunities for First Nations, Inuit, and Métis businesses through the federal procurement process. This action contributes to the economic rights outlined in the UN Declaration.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced. <i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action in this regard.</p>
<p>Implement the <i>United Nations Declaration on the Rights of Indigenous Peoples Act</i>.</p>	<p>Contribute to reconciliation with Indigenous Peoples and the 94 Calls to Action of the Truth and Reconciliation Commission.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Co-create the OSFI Reconciliation Action Plan with Indigenous partners and employees</p> <p>Starting point: New program</p> <p>Target: Plan is created by April 30, 2025</p>	<p>Public servants are in a unique position to help build respectful relationships with Indigenous Peoples in Canada. These actions encourage public service employees to increase their cultural competencies and awareness of issues related to First Nations, Inuit, and Métis in Canada, and their knowledge of the UN Declaration. These actions contribute to the development of necessary cultural</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
			<p>competency knowledge and skills to implement the UN Declaration.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced.</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action in this regard</p>
<p>Implement the <i>United Nations Declaration on the Rights of Indigenous Peoples Act</i>.</p>	<p>Offer the Kairos Blanket Exercise to OSFI employees to increase understanding of Indigenous history in Canada.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who participate in the Kairos Blanket Exercise</p> <p>Starting point: 23.51% as of March 31, 2023</p> <p>Target: 90% of employees have completed the training by March 31, 2026</p>	<p>Public servants are in a unique position to help build respectful relationships with Indigenous Peoples in Canada. These actions encourage public service employees to increase their cultural competencies and awareness of issues related to First Nations, Inuit, and Métis in Canada, and their knowledge of the UN Declaration. These actions contribute to the development of necessary cultural competency knowledge and skills to implement the UN Declaration.</p> <p>Relevant targets or ambitions:</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
			<p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced.</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action in this regard</p>
<p>Implement the <i>United Nations Declaration on the Rights of Indigenous Peoples Act</i>.</p>	<p>Provide Indigenous cultural competency training.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of staff who have completed Indigenous cultural competency training (internal or external)</p> <p>Starting point: 5.58% as of March 31, 2023</p> <p>Target: 90% of employees have completed the training by March 31, 2026</p>	<p>Public servants are in a unique position to help build respectful relationships with Indigenous Peoples in Canada. These actions encourage public service employees to increase their cultural competencies and awareness of issues related to First Nations, Inuit, and Métis in Canada, and their knowledge of the UN Declaration. These actions contribute to the development of necessary cultural competency knowledge and skills to implement the UN Declaration.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced.</p> <p><i>CIF indicator:</i> N/A</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
			<i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action in this regard

Target theme: Taking action on inequality

Target: Each year, the federal public service meets or surpasses the workforce availability for women, Indigenous persons, persons with a disability, and members of a visible minority (President of the Treasury Board)

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Advance gender equality in the Government of Canada.	Establish the Pay Equity Committee to develop a Pay Equity Plan for OSFI by September 2024. Update employment systems and identify and reduce barriers. Program: Internal Services	Performance indicator: The Pay Equity Plan is presented to the Superintendent of Financial Institutions. Starting point: Project is underway Target: Persentation by September 30, 2024	This action promotes equality across the federal government through measures such as advancing a modernized senior leadership strategy for the federal public service that reinforces equity, diversity, and inclusion in leadership culture; advancing the implementation of the <i>Pay Equity Act</i> across federal public service workplaces; and continuing to take action to ensure that federal public service

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			<p>workplaces are free from harassment and violence.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p>
<p>Advance gender equality in the Government of Canada.</p>	<p>Conduct an annual self-identification campaign.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who have completed the self-identification questionnaire</p> <p>Starting point: 77% as of March 31, 2023</p> <p>Target: 90% by March 31, 2026</p>	<p>This action promotes equality across the federal government through measures such as advancing a modernized senior leadership strategy for the federal public service that reinforces equity, diversity, and inclusion in leadership culture; advancing the implementation of the <i>Pay Equity Act</i> across federal public service workplaces; and continuing to take action to ensure that federal public service workplaces are free from harassment and violence.</p> <p>Relevant targets or ambitions:</p>

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			<p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p>
<p>Foster diversity, inclusion, and accessibility in the federal public service.</p>	<p>Implement the Diversity, Equity and Inclusion Action Plan.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who are women</p> <p>Starting point: 51.6% as of March 31, 2023</p> <p>Target: Meet or exceed most recent Labor Market Availability² (2016: 48.20%)(annual)</p>	<p>This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that federal public service workplaces are diverse, inclusive, and accessible to all Canadians.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p>

² Labor Market Availability is based on data from Canada’s Census of Population.

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			<p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard</p>
<p>Foster diversity, inclusion, and accessibility in the federal public service.</p>	<p>Identify targeted recruitment process for Indigenous Peoples.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who are Indigenous persons</p> <p>Starting point: 1.5% as of March 31, 2023</p> <p>Target: Meet or exceed most recent Labor Market Availability³ (2016: 4.0%) (annual)</p>	<p>This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that federal public service workplaces are diverse, inclusive, and accessible to all Canadians.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating</p>

³ Labor Market Availability is based on data from Canada’s Census of Population.

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			discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard
Foster diversity, inclusion, and accessibility in the federal public service.	Identify targeted recruitment process for persons with disabilities. Program: Internal Services	Performance indicator: Percentage of employees who are persons with a disability Starting point: 9.4% as of March 31, 2023 Target: Meet or exceed most recent Labor Market Availability ⁴ (2016: 9.1%) (annual)	This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that federal public service workplaces are diverse, inclusive, and accessible to all Canadians. Relevant targets or ambitions: <i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced <i>CIF indicator:</i> N/A <i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard

⁴ Labor Market Availability is based on data from Canada’s Census of Population.

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Foster diversity, inclusion, and accessibility in the federal public service.	<p>Increase representation of persons who are a member of a visible minority at OSFI based on previous years’ self-identification stats (June 2023).</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who are members of a visible minority</p> <p>Starting point: 41.62% as of March 31, 2023</p> <p>Target: Meet or exceed most recent Labor Market Availability⁵ (2016: 21.3%) (annual)</p>	<p>This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that federal public service workplaces are diverse, inclusive, and accessible to all Canadians.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard</p>
Foster diversity, inclusion, and accessibility in the federal public service.	<p>Deliver foundational training on diversity, equity, and inclusion (DEI) to all employees.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of employees who complete the DEI foundational training</p> <p>Starting point:</p>	<p>This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that</p>

⁵ Labor Market Availability is based on data from Canada’s Census of Population.

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		<p>New Program – 0% as of March 31, 2023</p> <p>Target: 90% of employees have completed the training by March 31, 2026</p>	<p>federal public service workplaces are diverse, inclusive, and accessible to all Canadians.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard</p>
<p>Foster diversity, inclusion, and accessibility in the federal public service.</p>	<p>Provide people leaders with unconscious bias training.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of people leaders who have completed the Canada School of Public Service Inclusive Hiring Practices for a Diverse Workforce</p> <p>Starting point: 58% as of March 31, 2023</p> <p>Target: 100% of people leaders have completed the training by March 31, 2026</p>	<p>This action fosters diversity, inclusion, and accessibility in the federal public service. Measures such as labor force representation, capacity building, and implementation strategies ensure that federal public service workplaces are diverse, inclusive, and accessible to all Canadians.</p>

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			<p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians live free of discrimination and inequalities are reduced</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target:</i> 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and actions in this regard</p>



GOAL 12: REDUCE WASTE AND TRANSITION TO ZERO-EMISSION VEHICLES

FSDS context:

As the supervisor and regulator of FRFIs, we do not own or operate a fleet of vehicles or manufacture products. We also produce very little waste. In fact, before the COVID-19 pandemic, we implemented a number of measures to reduce waste on our premises, such as eliminating most of the printers to achieve a paperless office. Furthermore, we contribute to Goal 12 by applying responsible consumption in accordance with the federal Policy on Green Procurement. Through the process for competitive procurement, we apply environmental criteria in our purchasing decisions to encourage suppliers to adopt practices that minimize the environmental impact of the goods and services they deliver.

Target theme: Federal leadership on responsible consumption

Target: The Government of Canada's procurement of goods and services will be net-zero emissions by 2050 to aid the transition to a net-zero, circular economy (All Ministers)

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<p>Strengthen green procurement criteria.</p>	<p>Ensure that all procurement and/or materiel management specialists complete the Canada School of Public Service Green Procurement course (C215) or equivalent and increase awareness of the Policy on Green Procurement as part of ongoing training programs offered to OSFI managers.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of procurement and/or materiel management specialists who have completed training on green procurement</p> <p>Starting point: 100% as of March 31, 2023</p> <p>Target: 100% (annual)</p>	<p>Green procurement incorporates environmental considerations into purchasing decisions and is expected to motivate suppliers to reduce the environmental impact of the goods and services they deliver and of their supply chains.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians consume in a sustainable manner</p> <p><i>CIF indicator:</i> 12.2.1 Proportion of businesses that adopted selected environmental protection activities and management practices</p> <p><i>GIF target:</i> 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
<p>Strengthen green procurement criteria.</p>	<p>Ensure that the process for competitive procurements with an estimated value over \$1 million includes evaluation criteria related to inducing suppliers to measure and disclose their GHG emissions and/or adopting a science-based target to reduce GHG emissions in line with the Paris Agreement as part of participating in the Net-Zero Challenge or in an equivalent initiative or standard.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of competitive solicitations >\$1 million that have incorporated green evaluation criteria</p> <p>Starting point: New program – 0% as of March 31, 2023</p> <p>Target: 90% by March 31, 2026</p>	<p>Green procurement incorporates environmental considerations into purchasing decisions and is expected to motivate suppliers to reduce the environmental impact of the goods and services they deliver and of their supply chains.</p> <p>Relevant targets or ambitions: <i>CIF ambition/target:</i> Canadians consume in a sustainable manner</p> <p><i>CIF indicator:</i> 12.2.1 Proportion of businesses that adopted selected environmental protection activities and management practices</p> <p><i>GIF target:</i> 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA'S 2030 AGENDA NATIONAL STRATEGY AND SDGS
<p>Strengthen green procurement criteria.</p>	<p>Train managers who make procurement decisions and implement procurement plans, and acquisition cardholders on green procurement options, strategies, and life-cycle considerations.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of procurement planners who have received internal training / attended presentations on green procurement</p> <p>Starting point: New program – 0% as of March 31, 2023</p> <p>Target: 95% by March 31, 2026</p>	<p>Green procurement incorporates environmental considerations into purchasing decisions and is expected to motivate suppliers to reduce the environmental impact of the goods and services they deliver and of their supply chains.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians consume in a sustainable manner</p> <p><i>CIF indicator:</i> 12.2.1 Proportion of businesses that adopted selected environmental protection activities and management practices</p> <p><i>GIF target:</i> 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
<p>Strengthen green procurement criteria.</p>	<p>Leverage common use procurement instruments (standing offers, supply arrangement, etc.) that include environmental criteria or considerations, where feasible.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of procurement leveraging common-use procurement instruments that include environmental criteria or considerations, relative to the total volume of procurement leveraging common-use procurement instruments</p> <p>Starting point: New program – Baseline information is not available.</p> <p>Target: 90% by March 31, 2026</p>	<p>Green procurement incorporates environmental considerations into purchasing decisions and is expected to motivate suppliers to reduce the environmental impact of the goods and services they deliver and of their supply chains.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians consume in a sustainable manner</p> <p><i>CIF indicator:</i> 12.2.1 Proportion of businesses that adopted selected environmental protection activities and management practices</p> <p><i>GIF target:</i> 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>



GOAL 13: TAKE ACTION ON CLIMATE CHANGE AND ITS IMPACTS

FSDS context:

Meeting the 2030 emissions reduction target of 40 to 45% below 2005 levels and the 2050 net-zero target will require a great adjustment while Canada transitions to a low-carbon economy. Canada's financial system will be a critical enabler of this adjustment. FRFIs and FRPPs must remain safe and sound to be able to play this role. OSFI contributes to this goal by ensuring that FRFIs and FRPPs address risks generally but also the physical and transition risks of climate change specifically. We are collaborating at the national and international levels on research regarding physical and transition risks related to climate change, and on identification and awareness, preparedness and response to climate risk and all-hazards events. Our dedicated Climate Risk Hub and Risk Assessment and Intervention Hub are spearheading new strategies, processes, resources, and tools that promote accountability and transparency regarding climate-risk action, and resilience to the impacts of climate change.

Implementation strategies supporting the goal

Target theme: Climate change mitigation and adaptation

Target: Achieve 40 to 45% greenhouse gas emission reductions below 2005 levels by 2030, and achieve net-zero greenhouse gas emissions by 2050 (Minister of Environment and Climate Change supported by all other Ministers)

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<p>Support climate change adaptation across Canada.</p>	<p>Engage with and build capacity and knowledge among FRFIs on climate risk management through the Climate Risk Forum.</p> <p>Program: Regulation and Guidance of Federally Regulated Financial Institutions</p>	<p>Performance indicator: Percentage of positive feedback from surveyed Climate Risk Forum participants</p> <p>Starting point: New product – The Climate Risk Forum was launched on June 19, 2023, and baseline figures are not available at this point.</p> <p>Target: 60 - 80% (annual)</p>	<p>Canada's financial system will be a critical enabler to achieving Canada's net zero ambitions. OSFI has an obligation to ensure that FRFIs manage the risks that will accompany that adjustment. A key component of this is that FRFIs issue public disclosures about climate risk, as outlined in Guideline B-15.</p> <p>Public disclosure may encourage FRFIs to:</p> <ul style="list-style-type: none"> • Understand and mitigate against potential impacts of climate-related risks to its business model and strategy; • Have appropriate governance and risk management practices to manage identified climate-related risks; • Remain financially resilient through severe, yet plausible, climate risk scenarios, and operationally resilient through disruption due to climate-related disasters. <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians are well-equipped and resilient to face the effects of Climate change</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target 13.3:</i> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA'S 2030 AGENDA NATIONAL STRATEGY AND SDGS
<p>Support climate change adaptation across Canada.</p>	<p>Centralize access to climate risk information and disclosures by FRFIs on OSFI's website.</p> <p>Program: Regulation and Guidance of Federally Regulated Financial Institutions</p>	<p>Performance indicator: Percentage of in-scope FRFIs publishing climate-related financial disclosures in accordance with Annex 2.2 of Guideline B-15 on OSFI's website</p> <p>Starting point: New product – Public disclosures on OSFI's website are expected to be launched in 2025.</p> <p>Target: 100% by March 31, 2027</p>	<p>Canada's financial system will be a critical enabler to achieving Canada's net zero ambitions. OSFI has an obligation to ensure that FRFIs manage the risks that will accompany that adjustment. A key component of this is that FRFIs issue public disclosures about climate risk, as outlined in Guideline B-15.</p> <p>Public disclosure may encourage FRFIs to:</p> <ul style="list-style-type: none"> • Understand and mitigate against potential impacts of climate-related risks to its business model and strategy; • Have appropriate governance and risk management practices to manage identified climate-related risks; • Remain financially resilient through severe, yet plausible, climate risk scenarios, and operationally resilient through disruption due to climate-related disasters. <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians are well-equipped and resilient to face the effects of Climate change</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target 13.3:</i> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA’S 2030 AGENDA NATIONAL STRATEGY AND SDGS
Support climate change adaptation across Canada.	<p>Work with international partners and standard-setting bodies to inform policy decisions/actions.</p> <p>Program: Regulation and Guidance of Federally Regulated Financial Institutions</p>	<p>Performance indicator: Qualitative summary statement on OSFI’s active participation in international standard-setting bodies related to financial sector climate risk</p> <p>Starting point: New program</p> <p>Target: OSFI will participate by being a member or chairing international forums and related working groups, and providing feedback on products being produced. (annual)</p>	<p>Canada’s financial system will be a critical enabler to achieving Canada’s net zero ambitions. OSFI has an obligation to ensure that FRFIs manage the risks that will accompany that adjustment. Working with international partners aids in the development of best practises.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians are well-equipped and resilient to face the effects of Climate change</p> <p><i>CIF indicator:</i> N/A</p> <p><i>GIF target 13.3:</i> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>
Support climate change adaptation across Canada.	<p>Ensure that FRFIs are fit to manage the risks that will accompany that adjustment by including climate risk as a transverse risk in the Supervisory Framework, and have it contribute to the overall risk rating.</p> <p>Program: Risk Assessment and Intervention – Federally Regulated Financial Institutions</p>	<p>Performance indicator: Climate risk is included in the Supervisory Framework</p> <p>Starting point: Under the current Supervisory Framework, the risk matrix used to record risk assessments of regulated entities does not include climate risk as an evaluation factor.</p> <p>Target: Climate risk is included in the Supervisory Framework as a transverse risk by April 1, 2024</p>	<p>Canada’s financial system will be a critical enabler to achieving Canada’s net zero ambitions. OSFI has an obligation to ensure that FRFIs manage the risks that will accompany that adjustment.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians are well-equipped and resilient to face the effects of Climate change</p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA'S 2030 AGENDA NATIONAL STRATEGY AND SDGS
			<p><i>CIF indicator: N/A</i></p> <p><i>GIF target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</i></p>

Note: The target and/or metric may be revised in the future as more data and insights are collected.

Target theme: Federal leadership on GHG emissions reductions and climate resilience

Target: The Government of Canada will transition to climate resilient operations by 2050 (all Ministers)

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<p>Reduce risks posed by climate change impacts to federal assets, services and operations.</p>	<p>Develop actuarial climate change scenarios and analysis.</p> <p>Program: Actuarial Valuation and Advice</p>	<p>Performance indicator: Number of statutory actuarial reports that include hypothetical climate change scenarios</p> <p>Starting point: 1 as of March 31, 2023 – The 31st Actuarial Report on the Canada Pension Plan</p> <p>Target: 3 reports by March 31, 2026</p>	<p>This action encourages national social security programs and public pension plans to consider the effect of climate change when planning for the future viability of the program.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF ambition/target:</i> Canadians are well-equipped and resilient to face the effects of climate change</p> <p><i>CIF indicator: N/A</i></p>

IMPLEMENTATION STRATEGY	DEPARTMENTAL ACTION	PERFORMANCE INDICATOR STARTING POINT TARGET	HOW THE DEPARTMENTAL ACTION CONTRIBUTES TO THE FSDS GOAL AND TARGET AND, WHERE APPLICABLE, TO CANADA'S 2030 AGENDA NATIONAL STRATEGY AND SDGS
			<i>GIF target:</i> 13.2: Integrate climate change measures into national policies, strategies and planning

SECTION 5

Integrating sustainable development

OSFI plans on further integrating sustainable development into internal policy and operational processes by applying responsible consumption and production in accordance with the federal [Policy on Green Procurement](#).

We will ensure that the process for competitive procurements with an estimated value over \$1 million include evaluation criteria that will induce suppliers to measure and disclose their GHG emissions and/or to adopt a science-based target to reduce GHGs.

We will leverage common use procurement instruments (standing offers, supply arrangement, etc.) that include environmental criteria or considerations, and we will train procurement and/or materiel management specialists and managers on the Policy, on green procurement options and strategies, and life-cycle considerations.

