



2024 to 2025 Departmental Sustainable Development Strategy Report

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Introduction to the 2024 to 2025 Departmental Sustainable Development Strategy Report

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 Department of Finance Canada (the Department) supports the goals laid out in the FSDS through the activities described in the Department of Finance Canada's 2023 to 2027 Departmental Sustainable Development Strategy (DSDS). This Report provides a report on progress related to the Department's DSDS in the fiscal year 2024 to 2025.

The Federal Sustainable Development Act also sets out 7 principles that must be considered in the development of the FSDS as well as DSDSs. These basic principles have been considered and incorporated in the Department's DSDS and 2024 to 2025 DSDS Report.

To promote coordinated action on sustainable development across the Government of Canada, the Department of Finance Canada's departmental strategy reports on Canada's progress towards implementing the 2030 Agenda and advancing the SDGs, supported by the Global Indicator Framework (GIF) and Canadian Indicator Framework (CIF) targets and indicators. The Report also now captures progress on SDG initiatives that fall outside the scope of the FSDS.

Commitments for the Department of Finance Canada



Goal 1: Reduce poverty in Canada in all its forms

Commitment 1: No poverty



FSDS Context

Tax measures, including the Canada Child Benefit and Canada Workers Benefit, support poverty reduction by providing assistance to low-income individuals and families.

Target theme: Poverty Reduction

Target: By 2030, reduce the poverty rate by 50% from its 2015 level (Minister of Families, Children and Social Development)

Table 1

Implementation strategy for SDG 1

Implementation strategy	Departmental action	Performance indicator starting point target TARGET	How the departmental action contributes to the FSDS goal and target and, where applicable, to Canada's 2030 agenda national strategy and SDGS	Results achieved
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Implementation strategy	Departmental action	Performance indicator starting point target TARGET	How the departmental action contributes to the FSDS goal and target and, where applicable, to Canada's 2030 agenda national strategy and SDGS	Results achieved
Make investments to reduce poverty	<p>Continue to provide support to low-income individuals and families through the Canada Child Benefit (CCB), including the Child Disability Benefit (CDB).</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance indicator: Number of individuals in families benefitting from the CCB with pre-tax and transfer income below the Market Basket Measure (MBM) threshold.</p> <p>Starting point: In 2020, about 3.4 million individuals were in families benefitting from the CCB with pre-tax and transfer income below the MBM threshold.</p>	<p>The CCB provides tax-free support to low- and middle-income families to help with the cost of raising children. The CDB is a supplement to the CCB that provides additional support to families caring for a child with a severe and prolonged impairment in physical or mental functions. These programs help to reduce poverty by increasing the household income of lower-income families.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition:</i> 1.1 Reduce poverty in Canada in all its forms</p> <p><i>CIF Target: 1.1</i> By 2030, a 50% reduction in the rate of poverty, compared to the 2015 level</p> <p><i>CIF Indicator: 1.1.1</i> Poverty rate, as measured by Canada's official poverty line</p> <p><i>GIF Target: 1.2</i> By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p>	<p>Indicator result:</p> <p>In 2023, about 3.2 million individuals were in families benefitting from the CCB with pre-tax and transfer income below the MBM threshold.</p>

Implementation strategy	Departmental action	Performance indicator starting point target TARGET	How the departmental action contributes to the FSDS goal and target and, where applicable, to Canada's 2030 agenda national strategy and SDGS	Results achieved
Make investments to reduce poverty	Continue to provide support to low-income individuals and families through the enhanced Canada Workers Benefit (CWB). Program: Tax Policy and Legislation	Performance Indicator: Number of individuals in families benefiting from the CWB with pre-tax and transfer income below the MBM threshold. Starting point: In 2020, almost 1.4 million individuals were in families benefitting from the CWB with pre-tax and transfer income below the MBM threshold.	The CWB supplements the earnings of low- and modest-income workers, making work more rewarding and attractive for this group, and providing an important source of income support. Relevant targets or ambitions: <i>CIF Ambition:</i> 1.1 Reduce poverty in Canada in all its forms <i>CIF Target:</i> 1.1 By 2030, a 50% reduction in the rate of poverty, compared to the 2015 level <i>CIF Indicator:</i> 1.1.1 Poverty rate, as measured by Canada's official poverty line <i>GIF Target:</i> 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Indicator result: In 2023, about 2.6 million individuals were in families benefitting from the CWB with pre-tax and transfer income below the MBM threshold.

Initiatives advancing Canada's implementation of SDG 1 – No Poverty

The following initiatives demonstrate how the Department of Finance Canada's programming supports the 2030 Agenda and the SDGs and supplements the information outlined above.

Table 2

Planned initiatives for SDG 1

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
Goods and Services Tax (GST) Credit The GST Credit helps to offset the financial impact of the GST for low- and modest-income individuals and families. The GST Credit is a tax-free amount paid quarterly, which helps to reduce poverty by increasing the household income of eligible individuals and families.	The GST Credit contributes to advancing the Canadian Indicator Framework ambition 1.1 to "reduce poverty in Canada in all its forms".	The GST Credit provided about \$6 billion in support in 2023-24 to about 11 million low- and modest-income individuals and families.

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Registered Disability Savings Plan (RDSP)</p> <p>The RDSP is a long-term, tax-preferred savings plan for individuals with severe and prolonged impairments who are eligible for the disability tax credit. Persons with disabilities are more likely to live in poverty than persons without disabilities, and the RDSP contributes to reducing poverty among this population. The federal government helps to increase the savings of eligible Canadians by contributing to their RDSP through government-paid Canada Disability Savings Grant and government-paid Canada Disability Savings Bond (both of which are income-tested to target support to those with lower income), and/or by allowing money to be moved from some retirement and education savings plans.</p>	<p>The RDSP contributes to advancing the Canadian Indicator Framework ambition 1.1 to "reduce poverty in Canada in all its forms".</p>	<p>About 311,000 RDSPs were registered and remained open at the end of 2024.</p> <p>Around \$800 million per year is contributed to RDSPs by the federal government through Canada Disability Savings Grants and Bonds.</p>

Goal 4: Promote knowledge and skills for sustainable development

Commitment 4: Quality Education



Initiatives advancing Canada's implementation of SDG 4 – Quality Education

The following initiatives demonstrate how the Department of Finance Canada's programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 3

Planned initiatives for SDG 4

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Canada Training Credit</p> <p>The Canada Training Credit provides support to Canadian workers who seek qualifying training. Eligible workers accumulate credit balances, which can be used to refund up to half the costs of taking a qualifying course or training program.</p>	<p>The Canada Training Credit contributes to advancing the Canadian Indicator Framework ambition 4.2, that "Canadians have access to inclusive and quality education throughout their lives".</p>	<p>The Canada Training Credit provided an estimated \$245 million in support in 2023 to about 685,000 individuals.</p>

Goal 5: Champion gender equality

Commitment 5: Gender Equality



Initiatives advancing Canada's implementation of SDG 5 – Gender Equality

The following initiatives demonstrate how the Department's programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 4

Implementation strategy for SDG 5

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
Adapt and apply the <i>Canada Business Corporations Act</i> (CBCA) diversity disclosure requirements for federally regulated financial institutions. The CBCA requires publicly traded companies to disclose representation of women, Indigenous Peoples, persons with disabilities and members of Black and racialized communities on their boards of directors and among senior management, as well as diversity related corporate governance policies. Requiring diversity disclosures for federally regulated financial institutions will benefit women by promoting awareness that can lead to their increased representation on boards and among senior management.	The Department is currently consulting on these measures with the objective of proposing potential legislative amendments.	Legislative amendments to adapt and apply the Canada Business Corporations Act (CBCA) diversity disclosure model for application to the federally regulated financial institutions (FRFIs) were tabled on April 16, 2024

Goal 7: Increase Canadians' access to clean energy

Commitment 7: Affordable and Clean Energy



FSDS Context

Tax measures, including the accelerated capital cost allowance for clean energy and energy conservation equipment, support industry deployment of clean energy which can reduce greenhouse gas emission and pollution.

Target theme: Renewable and non-emitting sources of electricity

Target: By 2030, 90%, and in the long term 100% of Canada's electricity is generated from renewable and non-emitting sources

(Minister of Natural Resources)

Table 5

Implementation strategy for SDG 7

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Support voluntary action to adopt clean energy technologies	<p>Provide an incentive for investment in clean energy equipment available through the accelerated capital cost allowance for clean energy and energy conservation equipment (Class 43.1/43.2). Equipment that qualifies for Class 43.1 or 43.2 currently receives immediate expensing treatment, meaning businesses can immediately write off the full cost of eligible equipment. This full expensing incentive will be subject to a phase-out for property that becomes available for use after 2023; the incentive will not apply to eligible property that becomes available for use after 2028.</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance Indicator: Year-over-year change in new investment in Class 43.1/43.2 equipment.</p> <p>Starting point: From 2020 to 2021, the amount of new investment in Class 43.1/43.2 assets by corporations and partnerships increased from \$1.35 billion to \$2.65 billion.</p>	<p>The immediate expensing for clean energy equipment makes investments in clean energy generation equipment more attractive by providing a tax incentive that allows businesses to deduct from their taxable income the full cost of specified clean energy equipment in the year the asset is acquired.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition: 7.3</i> Canadians have access to clean and renewable energy</p> <p><i>CIF Target: 7.2</i> By 2030, 90%, and in the long term 100%, of Canada's electricity is generated from renewable and non-emitting sources</p> <p><i>CIF Indicator: 7.3.1</i> Proportion of electricity generated from renewable and non-greenhouse gas emitting sources</p> <p><i>GIF Target: 7.2</i> By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>Indicator result: From 2022 to 2023, the amount of investment in Class 43.1/43.2 assets by corporations and partnerships increased from \$2.83 billion to \$5.15 billion.</p> <p>Notes: Complete tax data after 2023 is not currently available.</p>

Initiatives advancing Canada's implementation of SDG 7 – Affordable and Clean Energy

The following initiatives demonstrate how the Department of Finance Canada's programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 6

Planned initiatives for SDG 7

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Canadian Renewable and Conservation Expenses (CRCE)</p> <p>CRCE can be deducted in full in the year incurred even though some of these expenses are capital in nature. CRCE generally include intangible start-up costs of renewable energy and energy efficiency projects for which at least 50% of the cost of depreciable assets can reasonably be expected to be property that is eligible for accelerated capital cost allowance (CCA) under CCA Class 43.1 or Class 43.2. CRCE can be carried forward indefinitely or transferred to flow-through share investors.</p>	<p>CRCE contributes to advancing:</p> <ul style="list-style-type: none"> • The Canadian Indicator Framework ambition 7.3 of "Canadians have access to clean and renewable energy" • The Canadian Indicator Framework target 7.3 "By 2030, 90%, and in the long term 100%, of Canada's electricity is generated from renewable and non-emitting sources" • The Global Indicator Framework target 7.2 "By 2030, increase substantially the share of renewable energy in the global energy mix" 	<p>Between 2022 and 2023, the amount of investment in CRCE by corporations and partnerships increased from \$283.9 million to \$370.5 million.</p> <p>Notes: Complete tax data after 2023 is not currently available.</p>

Goal 8: Encourage inclusive and sustainable economic growth in Canada

Commitment 8: Decent Work and Economic Growth



FSDS Context

Tax measures, including the Reduced Tax Rates for Zero-Emission Technology Manufacturers and the Critical Mineral Exploration Tax Credit, encourage economic activity and support jobs in the clean technology products sector, among others.

Target theme: Support for workers and business

Target: By 2026, there are at least 245,000 jobs in the cleantech products sector, an increase from 2019 (Minister of Innovation, Science and Industry)

Table 7

Implementation strategy for SDG 8

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Support job growth in the clean tech products sector	<p>Reduce federal corporate income tax rates by half for eligible income from zero-emission technology manufacturing.</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance Indicator: Year-over-year change in number of businesses that claim zero-emission technology manufacturing income.</p> <p>Starting point: Budget 2021 announced the reduction in tax rates for zero-emission technology manufacturing. Budget 2022 and Budget 2023 announced expanded eligibility for this measure to include additional technologies.</p>	<p>Reduced tax rates for zero-emission technology manufacturers will enhance Canada's competitiveness in attracting investment in zero-emission technology manufacturing, while also supporting existing businesses in the sector. This will help create well-paying jobs for Canadians.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition:</i> 8.6 Canadians contribute to and benefit from sustainable economic growth</p> <p><i>CIF Target:</i> 8.6 Achieve a 8% growth in jobs in the clean technology products sector by March 31, 2024 relative to 2019 levels.</p> <p><i>CIF Indicator:</i> 8.6.1 Jobs in the clean technology products sector</p> <p><i>GIF Target:</i> 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	<p>Indicator result: For taxation years ending in 2024, 30 corporations claimed the reduced tax rates for zero-emission technology manufacturers.</p> <p>Notes: These reduced tax rates first became available for taxation years starting in 2022. Complete tax data for taxation years ending after 2024 is not currently available.</p>

Implementation strategies supporting the goal

This section is for implementation strategies that support the goal 'Encourage inclusive and sustainable economic growth in Canada' but not a specific FSDS target

Table 8

Implementation strategy for Goal 8

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Implement a mines-to-mobility approach to grow strategic supply chains	<p>Provide a 30% non-refundable tax credit for specified mineral exploration expenses incurred in Canada and renounced to flow-through share investors.</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance indicator: Year-over-year change in exploration expenses that received the critical mineral exploration tax credit.</p> <p>Starting point: Budget 2022 announced the Critical Mineral Exploration Tax Credit. Budget 2023 announced expanded eligibility for the tax credit to lithium from brines. The first year of data will be for 2022 and will not be available until 2024.</p>	<p>The Critical Mineral Exploration Tax Credit makes critical mineral projects a less risky undertaking for companies and helps grow both Canada's critical mineral industry and secure good high paying jobs of the future.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition 8.5:</i> Canadians contribute to and benefit from sustainable economic growth</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition/Target:</i></p> <p><i>CIF Indicator:</i></p> <p><i>GIF Target:</i></p>	<p>Indicator result: In 2023, the Critical Mineral Exploration Tax Credit (CMETC) supported companies to raise equity by issuing eligible flow-through shares to more than 9,000 investors, and applied to \$804 million in exploration expenses renounced under flow-through share agreements.</p>

Goal 9: Foster innovation and green infrastrucutre in Canada

Commitment 9: Industry, innovation and infrastructure



FSDS Context

The Department of Finance Canada indirectly contributes to fostering innovation and green infrastructure in Canada through measures to establish a well-functioning sustainable finance market, such as launching and supporting the Sustainable Finance Action Council and supporting the Government of Canada's commitment to moving towards mandatory reporting of climate-related financial risks across a broad spectrum of the Canadian economy. Canada's Green Bond program also supports a well-functioning sustainable finance market. The framework improves market transparency by providing investors a risk-free benchmark against which private investments can be assessed, high quality ESG assets to invest in and improved market transparency.

Target theme: Green infrastructure and innovation

Implementation strategies supporting the goal

This section is for implementation strategies that support the goal "**Foster innovation and green infrastructure in Canada**" but not a specific FSDS target

Table 9

Implementation strategy for SDG 9

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	Results achieved
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Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
<p>Attract and scale up sustainable finance in Canada</p>	<p>Continue to support the Sustainable Finance Action Council (SFAC) with Environment and Climate Change Canada while providing departmental advice on establishing a well-functioning sustainable finance market.</p> <p>Program: Financial Sector Policy</p>	<p>Performance indicator: Progress towards mobilizing sustainable investments by Canadian financial institutions and pension plans</p> <p>Starting point: Budget 2022 estimated that current private and government investment towards net-zero emissions in Canada totals about \$15-\$25 billion annually</p> <p>Target: N/A</p>	<p>Sustainable finance refers to the incorporation of climate and environmental considerations throughout financial decision making. This enables the mobilization and alignment of private sector investments in climate and environmental objectives, thereby supporting sustainable innovation and green infrastructure. The <u>SFAC</u> is mandated to help lead the Canadian financial sector towards integrating sustainable finance into standard industry practice.</p> <p>Relevant targets or ambitions: N/A (This action supports SDG 9, but does not specifically support any target or indicator in the Canadian Indicator Framework or the Global Indicator Framework.)</p>	<p>Indicator result: The Government of Canada has made important advances over the past several years to establish a well-functioning sustainable finance market, including announcing its support for the development of sustainable investment guidelines (otherwise known as taxonomy) and for mandatory climate risk disclosures across a broad spectrum of the Canadian economy.</p>

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
	Program: Sovereign Green Bond Framework	<p>Performance indicator: Amount of CAD denominated green bonds/loans issued each year.</p> <p>Starting point: According to data from Bloomberg, about \$16.6 billion of green bonds and loans were issued in Canadian dollars in 2022.</p> <p>Target: N/A</p>	<p>Canada's sovereign green bond framework aims to support the Canadian sustainable finance market by adding liquidity and highly rated ESG assets, as well as increased transparency. Government of Canada bonds issued under the framework provide investors with liquid, highly rated assets whose proceeds are allocated to programs and projects that meet Canada's environmental and climate commitments. Moreover, the allocation and impact reporting required under the framework showcase various sectors for investors to consider.</p> <p>Relevant targets or ambitions: N/A</p> <p>(This action supports SDG 9, but does not specifically support any target or indicator in the Canadian Indicator Framework or the Global Indicator Framework.)</p>	Indicator result: According to data from Bloomberg, about \$15.7 billion of green bonds and loans were issued in Canadian dollars in 2024.

Initiatives advancing Canada's implementation of SDG 9 – Industry, Innovation and Infrastructure

The following initiatives demonstrate how the Department's programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 10

Planned initiatives for SDG 9

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved

Planned initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Scientific Research and Experimental Development (SR&ED) Tax Incentive Program</p> <p>Eligible current expenditures on SR&ED performed in Canada may be fully deducted in the year they are incurred. A tax credit is also available in respect of these expenses, with an enhanced rate provided to small businesses. These measures encourage the performance of SR&ED by the private sector in all sectors of the economy.</p>	<p>SR&ED contributes to advancing the Canadian Indicator Framework ambition 9.2 of "Canada fosters sustainable research and innovation".</p>	<p>In 2022, the SR&ED tax credit provided \$4.2 billion in support to about 22,000 businesses that performed SR&ED activity.</p> <p>Notes: Estimates based on complete tax data for taxation years ending after 2022 are not currently available.</p>

Goal 10: Advance reconciliation with Indigenous peoples and take action on inequality

Commitment 10: Reduced inequalities



FSDS Context

The Department of Finance increases economic opportunities for First Nations, Inuit and Métis communities by leveraging Indigenous businesses to the greatest extent possible to meet its procurement needs.

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)

Table 11

Implementation strategy for SDG 10

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the fdds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
<p>Implement the <i>United Nations Declaration on the Rights of Indigenous Peoples Act</i></p>	<p>Promote the use of Indigenous vendors to the greatest extent possible to meet procurement needs, using a comprehensive Procurement Management Framework to manage and monitor compliance with mandatory targets. Include a mandatory commitment in performance plans for senior management to manage procurement needs in a fair, open, and transparent manner and to select Indigenous vendors when available.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of total dollar value of contracts awarded to Indigenous businesses relative to total overall dollar value of all contracts. Percentage of senior managers with relevant performance management commitments</p> <p>Starting point: 8% of total dollar value of contracts awarded to Indigenous business (FY 22-23) Mandatory commitments are a new initiative for FY 2023-24</p> <p>Target: Reach or exceed the minimum requirement of 5% of total dollar value of contracts awarded to Indigenous businesses on an annual basis 100% of senior managers include relevant procurement commitments by FY 2024-25</p>	<p>Supporting Indigenous businesses contributes to addressing economic inequalities by promoting equality and prosperity for Indigenous Peoples and awareness within the public service.</p> <p>Relevant targets or ambitions: <i>GIF Target - 10.3</i> 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>Indicator result:</p> <ul style="list-style-type: none"> • 10.44% • 100% <p>Notes: In fiscal year 2024-25, the Department awarded 10.44% of the value of our contracts and amendments to Indigenous businesses. Ongoing communications and efforts took place within the Department to encourage the use of Indigenous suppliers when market capacity exists. The Department's performance agreement commitments for all (100%) executives (EX) include performance indicators requiring the consideration of Indigenous suppliers, verified through the Indigenous Service Canada database, for the acquisition of goods and services.</p>

Goal 12: Reduce waste and transition to zero-emission vehicles

Commitment 12: Responsible consumption and production



FSDS Context

Accelerated capital cost allowance for business investment in zero-emission vehicles supports the transition to zero-emission vehicles which can reduce transportation- and industry-related greenhouse gas emissions. Through both the education and mobilization of its workforce, the Department of Finance implements green principles and practices in its operations that include sustainable waste management supporting the transition to a cleaner and more circular economy. To enhance sustainable consumption and further reduce greenhouse gas emissions, a transition to zero-emission vehicles will be prioritized for its executive fleet.

Target theme: Zero-Emission Vehicles

Target: For the 2030 model year, at least 60% of new light-duty vehicle sales are zero-emission vehicles, and 100% of vehicle sales will be zero-emission vehicles for the 2035 model year (Minister of Transport; Minister of Environment and Climate Change)

Table 12

Implementation strategy for SDG 12

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the fdds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Other	<p>Provide an accelerated capital cost allowance for business investments in eligible zero-emission vehicles and automotive equipment.</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance indicator: Year-over-year change in business investment in zero-emission vehicles and automotive equipment (Classes 54, 55 and 56)</p> <p>Starting point: From 2020 to 2021, the amount of business investment in Capital Cost Allowance Classes 54, 55, and 56 by corporations and partnerships decreased from \$215 million to \$173 million. This does not include investments by unincorporated businesses or in vehicles that received the federal rebate for on-road light-duty vehicles (iZEV). Businesses must choose between these Capital Cost Allowance Classes and the iZEV.</p>	<p>Immediate expensing makes business investments in zero-emission vehicles less expensive by providing a tax incentive.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition:</i> 12.1 Canadians consume in a sustainable manner.</p> <p><i>CIF Target:</i> 12.1 Zero-emission vehicles represent 10% of new light duty vehicle sales by 2025, 30% by 2030 and 100% by 2040</p> <p><i>CIF Indicator:</i> 12.1.1 Proportion of new light duty vehicle registrations that are zero-emission vehicles</p> <p><i>GIF Target:</i> 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>Indicator result: From 2022 to 2023, the amount of business investment in Capital Cost Allowance Classes 54, 55, and 56 by corporations and partnerships increased from \$258 million to \$359 million. This does not include investments by unincorporated businesses or in vehicles that received the federal rebate for on-road light-duty vehicles (iZEV). Businesses must choose between these Capital Cost Allowance Classes and the iZEV.</p> <p>Notes: Complete tax data after 2023 is not currently available. Estimates provided in this report have been previously adjusted to account for revisions in administrative data reported in previous reports. The revised starting point is that from 2020 to 2021, the amount of business investment in Capital Cost Allowance Classes 54, 55, and 56 by corporations and partnerships increased from \$67 million to \$105 million.</p>

Target theme: Federal Leadership on Responsible Consumption

Target: By 2030, the Government of Canada will divert from landfill at least 75% by weight of non-hazardous operational waste (All Ministers)

Table 13

Implementation strategy for SDG 12

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Maximize diversion of waste from landfill	<p>Promote waste reduction and recycling through internal awareness campaigns and activities.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage by weight of operational waste diverted from landfill.</p> <p>Starting point: 65.74% Diversion Rate [2022-2023]</p> <p>Target: Divert from landfill at least 75% of non-hazardous operational waste by weight by 2030</p>	<p>Actions that reduce non-hazardous operational waste will help reduce emissions for the production, transport, and disposal of material. Diverting waste from landfill reduces landfill gas and hauling emissions. Material recovery via recycling reduces emissions for the extraction and production of virgin materials.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition: Canadians consume in a sustainable manner</i></p> <p><i>CIF Indicator: 12.3.1 Total waste diversion per capita</i></p> <p><i>GIF Target: 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse:</i></p>	<p>Indicator result: 70.70%</p> <p>Notes: The building in which the Department is located achieved a waste diversion rate of 70.70%.</p> <p>The Department successfully engaged employees in the greening of government operations through periodic communications and events.</p> <p>The Department continues to use digital displays to communicate tips and facts to employees on workplace composting and recycling programs, sustainable transportation, and executes corporate events, which promote sustainability in workplace operations. The cornerstone events take place during Canadian Environment Week, and features environment-themed challenges and activities which encouraged employees to make sustainable choices in their daily lives.</p>

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)

Table 14

Implementation strategy for SDG 12

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Transform the federal light-duty fleet	<p>Each year, new executive fleet vehicle purchases will be zero-emission vehicles or hybrid-electric vehicles.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of executive fleet that is ZEV (zero-emission vehicles) and HEV (hybrid emission vehicles).</p> <p>Starting point: 100% HEV, 0% ZEV [2022-23]</p> <p>Target: 100% ZEV by 2027</p>	<p>Purchasing zero emission vehicles reduces greenhouse gas emissions from conventional fleet operations. This enhances sustainable consumption.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition: 12.1 Canadians consume in a sustainable manner</i></p> <p><i>CIF Indicator: 12.1.1 Proportion of new light duty vehicle registrations that are zero-emission vehicles</i></p> <p><i>GIF Target: 12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</i></p>	<p>Indicator result: 100% HEV, 0% ZEV</p> <p>Notes: The Department made no new executive fleet vehicle purchases. As a result, the Department's in-service executive fleet remains 100% hybrid vehicles.</p>

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Strengthen green procurement criteria	<p>Ensure all procurement and materiel management specialists are trained in green procurement (such as, the Canada School of Public Service course on green procurement, or equivalent) within one year of being identified/hired.</p> <p>Ensure all procurement and materiel management specialists have to meet green procurement work objectives through the annual performance management exercise.</p> <p>Program: Internal Services</p>	<p>Performance indicator: Percentage of procurement and materiel management specialists that have completed green procurement training and have green procurement work objectives included in their annual performance management plans within one year of being identified/hired.</p> <p>Starting point: 100% of current specialists in procurement and materiel management have completed training on green procurement and have annual performance management objectives related to green procurement [2022-23]</p> <p>Target: Maintain 100% completion rate.</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 their supply chains.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition:</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>	<p>Indicator result: 100%</p> <p>Notes: All procurement and materiel management officers completed the Green Procurement course. Additional relevant training is added to team learning commitments as new materiel and initiatives become available.</p>

Initiatives advancing Canada's implementation of SDG 12 – Responsible Consumption and Production

The following initiatives demonstrate how the Department of Finance Canada's programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 15

Relevant initiatives for SDG 12

Relevant initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved

Relevant initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Excise Tax on fuel-inefficient vehicles (Green Levy)</p> <p>The federal government imposes an excise tax on certain fuel-inefficient vehicles (also known as the Green Levy) based on their fuel efficiency rating. Automobiles (including station wagons, vans and sport utility vehicles) designed primarily for use as passenger vehicles that have a weighted average fuel consumption rating of 13 or more litres per 100 km are subject to an excise tax ranging from \$1,000 up to \$4,000. The Green Levy encourages the development, production and purchase of more fuel-efficient vehicles by making it more expensive to buy less fuel-efficient vehicles, which could contribute to reducing air pollutant/GHG emissions and a cleaner, healthier environment.</p>	<p>The Green Levy contributes to advancing the Canadian Indicator Framework ambition 12.1 of "Canadians consume in a sustainable manner".</p>	<p>The Green Levy was implemented in 2007 and remains an indirect tax imposed under the <i>Excise Tax Act</i> to raise revenues and also encourage consumers to purchase more fuel-efficient vehicles and manufacturers to develop cleaner transportation technologies. The outcome of the Green Levy supports the responsible use of natural resources and improves adoption and development of energy efficient transportation technologies.</p>

Goal 13: Take action on climate change and its impacts

Commitment 13: Climate action



FSDS Context

Climate action is critical to Canada's long-term health and economic prosperity. Putting a price on pollution remains the most effective way to fight climate change while making life more affordable for Canadians. The federal fuel charge applies in jurisdictions that request it or that do not have their own pollution pricing system which meet the federal benchmark. All direct proceeds from the fuel charge are returned to the jurisdiction of origin. In provinces where the fuel charge applies, 90 per cent of direct proceeds are returned to residents of those provinces through Climate Action Incentive payments. The other 10 per cent is used to support small and medium-sized businesses and Indigenous groups.

Climate resilience in departmental operations is promoted through educational and awareness strategies, and by ensuring plans are in place that ensure continuity of operations amongst despite the increased incidence of extreme weather events.

Target theme: Climate Change Mitigation and Adaption

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)

Table 16

Implementation strategy for SDG 13

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
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Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Continue to implement Canada's climate plans and actions	<p>Oversee the fuel charge component of the federal pollution pricing system that applies in provinces and territories upon request, and in provinces and territories that do not have in place a carbon pricing system that meets the federal stringency requirements. Continue to oversee the return of 90 per cent of direct fuel charge proceeds through the Canada Carbon Rebate (formerly Climate Action Incentive Payment) to individuals and families in provinces where the federal fuel charge applies and continue to specify Canada Carbon Rebate amounts annually for those provinces.</p> <p>Program: Tax Policy and Legislation</p>	<p>Performance indicator: Carbon pollution pricing applies broadly across Canada, in accordance with the federal stringency requirements, as assessed by Environment and Climate Change Canada.</p> <p>Starting point: The Government released for consultation draft legislative proposals related to the federal pollution pricing system in January 2018.</p> <p>Target: The <i>Greenhouse Gas Pollution Pricing Act</i> is maintained and Fuel Charge Regulations are implemented.</p>	<p>The federal pollution pricing system ensures that carbon pricing is implemented in all provinces and territories that do not have in place a carbon pricing system that meets the federal stringency requirements and thus encourages the use of clean technologies, which can reduce the amount of GHG emissions emitted.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition:</i> 13.1 Canadians reduce their greenhouse gas emissions</p> <p><i>CIF Target:</i> 13.1 By 2030, reduce Canada's total greenhouse gas emissions by 40 to 45%, relative to 2005 emission levels. By 2050, achieve economy-wide net-zero greenhouse gas emissions.</p> <p><i>CIF Indicator:</i> 13.1.1 Greenhouse gas emissions</p> <p><i>GIF Target:</i> 13.2 Integrate climate change measures into national policies, strategies and planning</p>	<p>Indicator result: For the April 1, 2024 to March 30, 2025 period, the federal fuel charge applied in Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Manitoba, Saskatchewan, Alberta, Yukon, and Nunavut.</p> <p>On April 1, 2024, fuel charge rates increased to reflect a carbon pollution price of \$80 per tonne of carbon dioxide equivalent in 2024-25.</p> <p>As of April 1, 2025, the federal fuel charge ceased to apply by setting rates as of that date to \$0, and a final Canada Carbon Rebate payment was made to households in April 2025.</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	Results achieved
Implement the Canadian <i>Net-Zero Emissions Accountability Act</i>	<p>Oversee the preparation and release of an annual report on key measures that the federal public administration undertakes to manage its financial risks and opportunities related to climate change under Section 23 of the <i>Canadian Net-Zero Emissions Accountability Act</i>.</p> <p>Program: Economic Development Policy</p>	<p>Performance indicator: The report is released annually and meets legislative requirements.</p> <p>Starting point: The <i>Canadian Net-Zero Emissions Accountability Act</i> received Royal Assent on June 29, 2021. The Government intends to publish the first report, covering 2023–2024, by the end of 2024 and will publish annually thereafter.</p> <p>Target: The Minister of Finance is required to produce this report every year, beginning in 2024.</p>	<p>This annual report will provide Canadians with greater insight into actions the federal public administration is taking to manage its financial risks and opportunities arising from climate change.</p> <p>Relevant targets or ambitions:</p> <p><i>CIF Ambition/Target:</i> 13.3 Canadians are well-equipped and resilient to face the effects of Climate change</p> <p><i>GIF Target:</i> 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Indicator result: The first <i>Report on the Government of Canada's Climate-related Financial Risk Management</i> was published on the Departments website in January 2025.</p>

Target theme: Federal Leadership on Greenhouse Gas Emissions Reductions and Climate Resilience

Target: The Government of Canada will transition to net-zero carbon operations for facilities and conventional fleets by 2050 (All Ministers)

Table 17

Implementation strategy for SDG 13

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	Results achieved
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Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
Implement the Greening Government Strategy through measures that reduce greenhouse gas emissions, improve climate resilience, and green the government's overall operations	Promote more sustainable operational practices through events and informational campaigns. Program: Internal Services	Performance indicator: Capture rate as indicated in annual building waste audit. Starting point: 65.74% capture rate [2023] Target: 75% capture rate [2027]	Internal awareness strategies target a reduction in human climate change impacts. Operational waste reductions help address climate pollutant emissions such as landfill gas and hauling emissions, supporting a transition to net-zero carbon operations. Relevant targets or ambitions: <i>CIF Ambition:</i> 13.1 Canadians reduce their greenhouse gas emissions <i>GIF Target:</i> 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Indicator result: 80.43% Notes: The 2024-25 building waste audit report indicates an 80.43% capture rate. The Department has multiple recycling stations with clear signage in shared locations on each floor for paper, organic and mixed recycling options as well as coffee pod recycling in all kitchens. The Department used digital displays to communicate tips and facts to employees on workplace composting and recycling programs, sustainable transportation, and corporate events such as the Enviro Week Challenges, which promote sustainability in workplace operations.

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

Table 18

Implementation strategy for SDG 13

Implementation strategy	Departmental action	Performance indicator starting point target	How the departmental action contributes to the feds goal and target and, where applicable, to canada's 2030 agenda national strategy and sdgs	Results achieved
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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	Results achieved
Reduce risks posed by climate change to federal assets, services and operations	Regular review of risk and response strategies to ensure the continuity of operations as an immediate result of an extreme weather event and its relation to the delivery of departmental programs and services. Program: Internal Services	Performance indicator: Frequency of departmental BCP review, update, and engagement. Starting point: Departmental BCP is reviewed and updated annually with internal stakeholder engagement.	Annual reviews ensure response strategies remain relevant to current climate change risks, strengthening the department's ability to respond and recover from natural disasters, and reducing the risk of a disruption to the delivery of critical services to and for Canadians. Relevant targets or ambitions: <i>CIF Ambition:</i> Canadians are well-equipped and resilient to face the effects of climate change <i>GIF Target:</i> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Indicator result: On-track Notes: The annual BCP review was completed to ensure ongoing readiness to ensure continuity of essential operations during potential environmental disasters, which includes an alternate site for continuity of essential operations. A communication was sent out to all employees with our internal InfoBulletin to promote awareness during Fire Prevention Week (October 6-12, 2024).

Goal 15: Protect and recover species, conserve Canadian biodiversity

Commitment 15: Life on land



Initiatives advancing Canada's implementation of SDG 15 – Life on Land

The following initiatives demonstrate how the Department of Finance programming supports the 2030 Agenda and the SDGs, supplementing the information outlined above.

Table 19

Relevant initiatives for SDG 15

Relevant initiatives	Associated domestic targets or ambitions and/or global targets	Results achieved
<p>Ecological Gifts Program</p> <p>Under the Ecological Gifts Program, Canadian landowners may donate ecologically sensitive land, or partial interests in such land, to conservation charities to ensure its preservation in perpetuity. Under this program, donors may benefit from the charitable donations tax credit (for individuals) or the charitable donations deduction (for corporations) on the full value of the gifts of ecologically sensitive land.</p>	<p>The Ecological Gifts Program contributes to advancing:</p> <ul style="list-style-type: none"> • The Canadian Indicator Framework ambition 15.3 of "Canada conserves and restores ecosystems and habitat" • The Canadian Indicator Framework target 15.3 of "Conserve 25% of Canada's land by 2025, working towards 30% by 2030". 	<p>Results associated with the Ecological Gifts Program are reported by Environment and Climate Change Canada.</p>

Integrating Sustainable Development

The Department of Finance Canada will continue to ensure that its decision-making process includes consideration of FSDS goals and targets through its Strategic Environmental and Economic Assessment (SEEA) process. A SEEA for a policy, program or regulatory proposal includes an analysis of the climate, nature, environmental and economic effects of the given proposal.

Public statements on the results of the Department of Finance Canada's assessments are issued when an initiative that was the subject of a detailed Strategic Environmental and Economic Assessment is implemented or announced. The purpose of the public statement is to demonstrate that the environmental and economic effects, including contributions to the FSDS goals and targets, of an initiative have been considered during proposal development and decision making.

This Directive replaces the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals, also known as Strategic Environmental Assessment (SEA), which called for the preparation of a public statement of environmental effects for proposals that were subject to a detailed strategic environmental assessment.

In 2024-2025, the Department of Finance Canada published eight statements on proposals subject to detailed SEAs and did not have any proposals subject to a detailed SEEA that were announced or implemented.