



THOUGHT LEADERSHIP

Canadian Corporate Sustainability Strategy

A Stakeholder-Driven Approach in 2025-2026

Broadridge, Third Economy and Novisto | October 2025

Broadridge, Third Economy and Novisto hosted a breakfast briefing on October 16, 2025 in Toronto, ON, bringing together local business leaders to explore Canada's current and future positioning on corporate sustainability.

While regulatory momentum continues to grow, Canadian companies are also embracing sustainability as a strategic advantage—driven by a business culture that values stakeholder engagement and long-term thinking. Across sectors, there is a consistent view that sustainability is financially material and central to durable value creation.

To recap our great conversations with local corporate leaders, we have pulled together our insights on where sustainability sits for Canadian companies today and tomorrow.

Canadian Corporate Sustainability Strategy

Regulatory Rollbacks Don't Tell the Whole Picture

Recent pauses in Canadian climate and diversity regulations superficially appear to follow U.S. trends. However, institutional investors continue to demand robust sustainability disclosures aligned with European frameworks, not American standards. Canada's first greenwashing prosecution and

supply chain due diligence requirements reflect a broader cultural intolerance for unsubstantiated claims, as well as Canada's continued alignment with international frameworks.

Canadian companies cannot view regulatory delays as permission to scale back sustainability efforts—investor expectations and customer and employee preferences continue demanding comprehensive ESG strategies regardless of immediate compliance requirements.

Stakeholder Integration is a Business Norm

Canadian business culture treats stakeholder engagement as essential to long-term value creation. Employee expectations shape talent strategies, customer preferences influence market positioning and brand value, and community relationships determine operational viability. This also includes a continued commitment to DEI, which has not seen the same support in the U.S. Canadian companies recognize that stakeholder expectations are material to driving long-term performance and sustainability practices will persist due to these genuine market forces.

Institutional Investor-Driven Standards

Canadian institutional investors have maintained consistent expectations throughout 2025's regulatory flux. Unlike some American investors retreating from ESG amid political pressure, Canadian institutions view climate risk and governance quality as inseparable from investment analysis. This pressure comes from both cultural alignment and fiduciary responsibility to long-term value creation, not compliance.

Evolved Governance Practices

Canadian boards are expanding competencies beyond traditional financial oversight to encompass core sustainability issues like cybersecurity, AI governance, and Indigenous peoples reconciliation. Executive compensation structures are increasingly being tied to sustainability performance, signaling that ESG is a core business strategy. Companies (and boards) lacking expertise in these issues are largely seen as lacking adequate oversight of material risks and opportunities. Management teams are adopting technology solutions to help them manage the complexity of their non-financial data, the demands of multiple reporting requirements, and the rigor of the audit and assurance process.

In Summary

Canadian companies remain committed to sustainability despite regulatory pauses. This resilience is driven by persistent investor expectations, a business culture where stakeholder engagement is the norm, and governance practices that embed ESG as a core strategy priority—far beyond a compliance exercise.



Ready for Next

www.broadridge.com



info@thirdeconomy.com

www.thirdeconomy.com

novisto

[Contact Us](#)

www.novisto.com