



Lisa French
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Canadian Sustainability Standards Board (CSSB)
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Toronto, Ontario M5V 3H2
Sent via e-mail lfrench@frascanada.ca

June 10, 2024

RE: ABPA’s comments on the proposed Canadian Sustainability Disclosure Standards (CSDS)

Dear Lisa French

We hope this letter finds you well. We are writing to provide our comments on the Exposure Drafts, “Proposed CSDS 1, Canadian Sustainability Disclosure Standard 1, General Requirements for Disclosure of Sustainability related Financial Information,” and “Proposed CSDS 2, Climate-related Disclosures.” We first assessed the “Consultation Paper Proposed Criteria for Modification Framework” because it will govern future decision-making on the standards in Canada.

Our main objective is to provide you with First Nations’ perspectives and pioneering ways of ways of thinking towards your standards setting processes. We strongly believe that within the existing CSSB engagement and decision-making process there is opportunity to improve the interconnectedness of the capital markets ecosystem with First Nations’ compliance requirements that are more aligned with the Truth and Reconciliation Commission of Canada’s (TRC) Calls to Action. Secondly, we are providing solutions and risk management strategies throughout our eighteen (18) recommendations detailed below to ensure that the CSSB avoids red washing and is compliant with the United Nations Declaration of the Rights of Indigenous peoples (UNDRIP) and the Free Prior Informed Consent (FPIC) principles. Finally, we ground our thinking with examples from our Treaty area that impact sustainability reporting such as Anishinaabe inherent law in Treaty 3 and National Marine Conservation Project developed by the Mushkegowuk.

As June is celebratory for National Indigenous Peoples Month, we have included supplementary to our submission; a first of its kind primer called *‘Pathways to Prosperity, Indigenous Engagement and Impacts: Transitioning the Economy Beyond Green for a Sustainable Future.’* This resource is a first in a series that provides the CSSB with an Indigenous lens on the paradigm shift of Indigenous relations and reconciliation in Canada.

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The primary target audience of the primer are professional accountants responsible for sustainability reporting and assurance however the information can be useful for entrepreneurs, investors, shareholders, corporate directors, lawyers, regulators, financial institutions, and government. There are key takeaways from other jurisdictions from Australia and New Zealand that may be a significant consideration in this process.

With a small population spread across the world's second-largest country by land mass, Indigenous peoples are inherent rights holders, (not stakeholders) to 80% of the remaining biodiversity. In Canada there is a wealth of natural resources and vibrant capital markets that are essential to our economic success. Unfortunately, and systematically much of the riches generated by corporations have come at a cost to Indigenous peoples. To move forward in sustainable way, Indigenous peoples need to be in a leadership position driving climate action. As countries around the world navigate their own pathway toward greater sustainability, Canada's efforts to orient its resource-focused economy and capital markets toward a lower-carbon future offer important insights for all. As a country, free, prior, informed, consent of Indigenous peoples is our competitive advantage. This means that collaborating with Indigenous peoples and prioritizing our laws of the land is necessary.

There are issues related to Indigenous rights and reconciliation that will require better coverage from Canadian securities regulators. As the International Sustainability Standards Board (ISSB) has set a global baseline, they are leaving it up to each jurisdiction to determine their own concerns and consultation processes.

As a result, if done correctly, the CSSB is in a unique position to be a global leader from an Indigenous standpoint. It must be recognized that the accounting profession and regulators cannot do this work alone. To be successful this will require a deeper effort and stronger linkages for inter-operability, comparability and accountability with First Nations' principles and laws. Companies must focus with board oversight for Indigenous relations and climate-related governance, and clearly define data owners' roles and responsibilities. The CSSB would benefit from input from organizations like the Assembly of First Nations (AFN) and other territorial organizations like Nishnawbe Aski Nation, (NAN) whom have mandates related to sustainable development. As standards setting moves from voluntary to mandatory, the CSSB should include the Audit and Assurance Standards Board (AASB) in navigating the change management aspects of corporate and financial reporting. It will also be helpful to engage the Public Sector Accounting Board (PSAB) – Indigenous Advisory Committee in this matter.

The Anishnawbe Business Professional Association (ABPA) is a non-profit, member-based organization with an office in Thunder Bay, Ontario. The ABPA primarily serves the First

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Nation business community and develops and expresses positions on business issues and other public issues relevant to First Nation business, on behalf of its members.

In Northern Ontario there is approximately more than 100 First Nations with more than 100,000 rights holders across Treaty 3, Treaty 5, Treaty 9, The Robinson Superior Treaty 1850, and the Robinson Huron Treaty. The current ABPA Board of Directors includes:

- Jason Rasevych, President, Ginoogaming First Nation
- Ron Marano, Vice-President, North Caribou Lake First Nation
- Jason Thompson, Secretary/Treasurer, Red Rock Indian Band
- Rachael Paquette, Director, Mishkeegogamang First Nation
- Brian Davey, Director, Moose Cree First Nation
- Steven McCoy, Director, Garden River First Nation
- Tony Marinaro, Director, Naicatchewenin First Nation

Over the past twelve (12) weeks, the ABPA established a First Nations-led technical working group to engage with our business members and First Nations leaders across Northern Ontario. While these exposure draft cover supplementary disclosure to financial statements and corporate reporting of sustainability disclosures and climate change, we wonder how these requirements will impact two complementary aspects, first finance/financing aspect of business and projects, also capital lenders including credit rating agencies. Another element that we are questioning is the perspective of others in the ecosystem such as government taxation at the Federal, Provincial, Municipal levels for example with nature-based climate solutions and the carbon offsets/credits system.

In conclusion, while there are areas that could be improved, the overall initiative is commendable. We appreciate the opportunity to provide our comments and are available to present our recommendations to your board.

Meegwetch,

A handwritten signature in black ink, appearing to read "Jason Rasevych", written over a horizontal line.

Jason Rasevych, President
Anishnawbe Business Professional Association

Cc:

National Chief Cindy Woodhouse Nepinak, Assembly of First Nations (AFN)
Regional Ontario Chief Glen Hare, Chiefs of Ontario (COO)
Grand Chief Alvin Fiddler, Nishnawbe Aski Nation (NAN)

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1. Consultation Paper Proposed Criteria for Modification Framework.

The CSSB has invited feedback from interested and affected parties in Canada to ensure a comprehensive and inclusive review process. We understand that there are three situations where the Board would make modifications:

- the application of which are not permitted by, or require modification to be consistent with, applicable Canadian law or regulation.
- where the ISSB recognizes that different provisions or practices may apply in different jurisdictions and Canada is such a jurisdiction.
- where it believes, such modifications are required to serve the Canadian public interest and maintain the quality of sustainability disclosures in Canada.

The ABPA acknowledges that corporate leaders are becoming more familiar with the Truth and Reconciliation Commission of Canada (TRC) Calls to Actions and specifically #92 which calls on corporate Canada to adopt the principles, standards, and norms of the United Nations Declaration of Indigenous peoples into company policy. There is also a growing expectation by shareholders and investors to see evidence of how companies are engaging with Indigenous rights holders and putting in mechanisms to reduce operational risks and to create new business opportunities. The re-discovery of unmarked graves of children who died at residential schools is having a profound societal effect in Canada and this is slowly filtering into corporate behaviour.

It must be acknowledged that Canadian law requires the Section 35 duty to consult and accommodate Indigenous peoples on projects where their livelihood or rights are impacted. Additionally, the Constitution in Canada recognizes Indigenous peoples' inherent rights to self-government. Importantly, Bill C-15, an Act of Parliament respecting UNDRIP, received Royal Assent June 21, 2021. It affirms that UNDRIP "has application in Canadian law and provides a framework for the federal government to ensure that its laws are consistent with it." The CSSB must carefully consider how UNDRIP, FPIC and the TRC's calls to action may inform and impact their organization's operations, policies, standards, and practices.

- 1. The ABPA recommends that an independent body be established to express the views of First Nation, Metis, Inuit peoples for sustainability reporting on their traditional territories.*
- 2. Furthermore, the ABPA recommends the CSSB collaborate with other First Nation-led organization, Tribal Councils, Political Territorial Organizations and National Indigenous Organizations like the Assembly of First Nations (AFN) to create a better process for engagement with Indigenous peoples and that a future state of sustainability reporting be developed with robust data and involvement from the respective Indigenous organizations.*

An Indigenous-led sustainability reporting directive will enable UNDRIP / FPIC principles into the CSSB domain and ensure that other regulators can adhere to a grassroots community driven approach to development of standards in Canada that is more aligned with UNDRIP.

- 3. To support the transition into an enhanced regulatory system the ABPA recommends that the CSSB support Indigenous-led organizations to gather their views on quality assurance and compliance requirements of the proposed sustainability standards for Indigenous relations and reconciliation.*
- 4. We recommend that an Indigenous-led or governed entity that is independent from the CSSB be established to audit, evaluate, and verify the sustainability reporting that are submitted by corporations for Indigenous relation and reconciliation.*

2. Comments on the introduction to Exposure Draft CSDS 1 & 2

Page 2, Paragraph 4

It is factual that the rights of First Nation, Métis and Inuit Peoples are inherent and specific in Canada. At the same time, Indigenous peoples' rights are recognized under UNDRIP around the world. *"In collaboration with Indigenous Peoples, the CSSB will explore how best to address these rights in the context of CSDSs. All interested and affected parties are impacted when Indigenous Peoples' rights are not respected. Therefore, the Board will consider this in the development of its multi-year strategic plan."*



It will be important to clarify the role for the CSSB to ensure that the framework of UNDRIP / FPIC is utilized as a mechanism for developing a grassroots community led approach to sustainability planning. While First Nations, Metis, and Inuit have rights under section 35 of the constitution to be consulted and accommodated by the crown on any project or decision that impacts their rights or way of life, First Nations in Northern Ontario have unique rights and responsibilities to the land that government and industry must adhere to.

One example is the Manito Aki Inakonigaawin which has been an inherent law to Anishinaabe in Treaty #3 territory since time immemorial. The law governs relationships with the land and its inhabitants throughout daily life. This includes:

- Respecting the lands and waters
- Giving offerings to spirits and Creator when you benefit from Mother Earth's gifts such as hunting, fishing, or transportation.
- Knowing the rights of a Treaty #3 member and
- Understanding the responsibility as a steward of the land

Since the law was formally written in 1997, it has helped uphold traditional land rights and create a nation-based law-making process in the territory. Manito Aki Inakonigaawin is written within and throughout nature- its spirit is within all living things on earth-from you to the animals, to the trees, and to the air that we breathe. It is the natural law that governs the natural cycles of life. Manito Aki Inakonigaawin has its own spirit, as it itself is also living.

Each individual First Nation has decision making authority and protocols for development on their traditional territory and may work together regionally with a tribal council, treaty wide secretariat or political territorial organization for example like Nishnawbe Aski Nation.

The CSSB must acknowledge that the UNDRIP / FPIC framework requires companies to work with local First Nation communities to understand their interests, laws, and practices for the land before proceeding with any project.

It must be acknowledged that other Indigenous peoples in other locations in Canada or parts of the world cannot speak for the impacted rights holders across the Treaty 3, Treaty 5, Treaty 9, Robison Superior or Robison Huron Treaty areas.

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5. *The ABPA recommends that the CSSB ensure the proposed disclosure standards direct companies to work with Nations impacted in a more robust way by respecting their laws, and protocols for the land.*

Social Equity and Equality Factors

Northern Ontario has First Nations that lack the basic infrastructure and are severely impacted by climate change. Remote First Nations that are only accessible by air or winter ice roads must also receive fair consideration for their living conditions.

The CSSB should explore the remote quotient factor developed by Nishnawbe Aski Nation that advises external proponents of how their remote location impact the socio-economic position of the First Nations in that area.

6. *We recommend that the CSSB ensures that companies work with First Nations to develop the tools and indicators that are required to enhance corporate disclosures for social impact and double materiality.*

Page 2, Paragraph 5

We commend the CSSB's commitment and dedication to upholding the rights of Indigenous peoples and ensuring their meaningful participation in shaping sustainability disclosure standards in Canada.

"Of significant importance to businesses is Call to Action 92 (CTA92), which directs corporations in Canada to adopt the UNDRIP and the FPIC framework."

The Truth and Reconciliation Commission of Canada calls on companies to adopt a framework that goes beyond the duty to consult into one of achieving the free, prior, informed consent of Indigenous peoples. This requires companies to not only make aspirational statements on UNDRIP / FPIC but to also operationalize FPIC into its company's policies. Currently there are numerous resource extractive companies, crown corporations and accounting firms that have created a reconciliation action plan without consideration the risks of red washing and ensuring that the corporate boards understand the interpretation of FPIC as it pertains to its corporate policies. To mitigate this risk of red washing, a solution would be to implement an independent Indigenous audit/certification/verification process for companies operating in this space.

7. *The ABPA recommends that proposed CSDS on Indigenous reconciliation go beyond Indigenous employment and Indigenous spend to social impact concepts.*
8. *The ABPA recommends that any proposed CSDS verification on Indigenous business spend reference the National Aboriginal Capital Corporation (NACCA) definitions for Indigenous business.*

The current Sustainable Accounting Standard Board (SASB) point of focus, in its engagement plans and guidelines, seem to fall short on today's many opportunities and success of doing business with Indigenous peoples. More so, when talking about sustainable development, climate change, and governance of land, water, air, biodiversity preservation and restoration. For example, in the SASB Engagement Guide for Companies and Investors, Indigenous Peoples are mentioned in only 4 of 77 industries, those linked to natural resources industries namely Metals and Mining, Oil and Gas – Exploration and Production and Forestry management.

“The revolutionary 94 Calls to Action put into motion a commitment of a renewed nation-to-nation relationship between the Crown government and Indigenous peoples based on recognition of rights, respect, co-operation, and partnership, including the implementation of UNDRIP¹.” (...)

For its part, the Global Reporting Initiative (GRI) has two points of focus under GRI 411: Rights of Indigenous Peoples 2016. First, how it manages UNDRIP and FPIC. This is exceptionally good news. The second requirement namely the total number of identified incidents of violations involving the rights of Indigenous peoples during the reporting period seems to focus on the threats aspect of doing business. From our perspective, we are missing some very material information, since there is no disclosure requirement on the opportunities aspect for the company doing business with Indigenous business, Government and Peoples.

9. *The ABPA recommend that the proposed sustainability standards adopt stronger language across all industries that impact Indigenous peoples in Canada and expand from an incident or litigation focused criteria to one of Indigenous reconciliation.*

¹ From 'Pathways to Prosperity; Indigenous Engagement and Impacts – Primer, Rasevych

Page 2, Paragraph 6

We thank the CSSB for its intention to use its influence to help inform international sustainability disclosure standards in a manner respectful of Indigenous Peoples' rights as defined by UNDRIP. However, the CSSB must be cautioned that if UNDRIP is implemented without acknowledging a defined local context such as Treaties, Hereditary or clan structures, or other unceded Nation to Nation self-governing agreements it may create risks for the implementation of Indigenous peoples' rights to autonomy and self-government.

A solution to implement FPIC, would be to work within the rich and diverse ecosystem of First Nation, Métis and Inuit in Canada in this case a great starting point in this journey is with the Assembly of First Nations (AFN). This would enable the joint development of a framework for sustainability disclosures and climate change that their member Nations would like to see implemented.

10. The ABPA recommends that the CSSB work in collaboration with the Assembly of First Nations (AFN) to adopt standards that this is aligned with First Nations' cultural values, laws, norms, and practices for the land.

In the shorter term the CSSB could benefit from exploring the applicability of the European Sustainability Reporting Standards (ESRS) as a reference. The ESRS is based on the UN Guiding Principles on Business and Human Rights which are voluntary standards introduced in 2011 to close the gap between local and regional laws and international human rights laws to better ensure respect for human rights no matter what region / context companies are operating in.

There are also key aspects of the European Union's Corporate Sustainability Reporting Directive that could be useful. The double materiality approach is the defining feature of the ESRS and provides the criteria to determine whether a sustainability topic or information must be disclosed in reporting that impacts an entity's financial performance or position. Under ESRS, double materiality is the union of both a) impact materiality on people and the environment and b) financial materiality related to sustainability of business risk and financial performance. Adverse impacts on people and the planet may not immediately pose a risk to a company's bottom line but can become financially material over time.

The ESRS requires companies to complete a materiality assessment of the entire value chain to ensure discovery of the most significant impacts from their business activities for prioritization in management regardless of near-term financial materiality. This mirrors the



fundamental first step in a do no harm, human rights due diligence process aligned with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinationals and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Concepts of the ESRD and ESRS may be useful in Canada but also combined with an Indigenous lens to support modifications based on Indigenous rights, inherent rights and responsibilities and respond to corporate responsibilities in their operations that impact community wellbeing, cultural values and other risks related to social equity.

11. The ABPA recommends that the CSSB ensure that double materiality approach include an Indigenous lens for modification to the CDSB S1 and S2.

Page 2, Paragraph 7

When CSSB recognizes that advancing reconciliation with First Nation, Métis and Inuit Peoples in Canada is fundamental to the work of Canadian standard setting for sustainability-related disclosures, we wonder how your board will plan to advance the reconciliation process in Canada?

A critical first step for the CSSB is obtaining relevant foundational education on Indigenous histories, cultures, and perspectives, along with the direct and indirect impact of proposed CDSB will have on Indigenous peoples and the systemic barriers Indigenous peoples face.

12. The ABPA recommends that the CSSB embark on cultural awareness training and Indigenous education to equip the board with insight to make informed decisions on CDSB and to further the CSSB strategic plan.

Page 2, Paragraph 8

The CSSB is committed to respecting the rights, perspectives and priorities of First Nation, Métis, and Inuit Peoples in its consultation process. We wonder how the CSSB is planning to ensure that Indigenous peoples rights are respected? How it plans to include the Indigenous peoples' perspectives. Finally how will the CSSB know/learn what are the priorities of First Nation, Métis, and Inuit peoples?

We are pleased that the Board's is committed to creating an engagement plan informed by the needs and interests of First Nation, Métis and Inuit Peoples, communities, governments, and businesses to ensure these groups participate in the development of its standards. We



are not sure that it covers the free, prior, and informed consent in the context of Indigenous peoples.

“ FPIC includes processes that are free from manipulation or coercion, informed by adequate and timely information, and occur sufficiently prior to a decision so that the rights and interests of Indigenous peoples can be incorporated or addressed effectively as part of the decision-making process – all as part of meaningfully aiming to obtain the consent of affected Indigenous peoples.”

We salute the CSSB’s intentions to actively listen to, and collaborate with, Indigenous Peoples to shape sustainability disclosure standards in Canada. However, we are concerned that the existing consultation process may be lacking in scope and scale to achieve the perspectives required.

13. The ABPA recommends that that CSSB ensures that there is a further opportunity for Indigenous leaders and other Indigenous organizations that may not have had time to submit a response to engage with the CSSB related to proposed modifications to the CSDC S1 and S2. This does not mean an extension of a company’s requirements to adopt UNDRIP or FPIC in their policies.

3. Specifics CSDS 1 & 2

Climate Action Planning and Reporting

While urban areas are grappling with poor air quality, many First Nation communities closest to wildfires suffer losses to forest ecosystems, infrastructure and services, homes, personal items, and often relocation or evacuation. First Nations in Northern Ontario are impacted even further due to losses of cultural and ceremonial items and activities and destruction of traditional and sacred places.

First Nations leaders must have a leading role in the transition to a low-carbon future, decarbonizing the economy and guiding how companies report on environmental, social and governance (ESG) aspects of their operations. It was recently reported that 70% of companies are abandoning acquisition due to their ESG concerns.

Companies must respect First Nations’ inherent rights, knowledge systems and spiritual and cultural connections to the land that requires a seven generations way of thinking. This is detrimental to linking materiality risks to financial affects as the investor base is seeking disclosures on climate that material to their business.

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Without the Indigenous component of ESG it will create a major blind spot and negatively impact the mergers and acquisitions activity which drives much of our capital formation and economy growth in Canada.

It needs to be highlighted that five percent of the world's population is Indigenous, yet we manage 80% of the world's remaining biodiversity. An important part of company policy will require a renewed approach to quality management systems and the collection, storage and access to data that inform critical decisions around climate reporting.

There are many examples of First Nations-led conservation or climate and land management initiatives across Canada. One unique project in Northern Ontario is the proposed Mushkegowuk National Marine Conservation Area, a project by the seven Nations of the Mushkegowuk Council, in collaboration with Fort Severn First Nation and Weenusk (Peawanuck) First Nation. The project creates a 20-km coastal buffer, known collectively as Aski-Gitchi Bayou (the place where "the land expands out into the waters"). With a study area spanning more than 91,000 sq km, this protected area will help fulfill the long-standing calls from First Nations to safeguard the lands and waters while protecting their Inherent and Treaty rights.

Projects like this will need to be a key consideration for the CSSB and how standards for climate reporting adhere to the local First Nations land management policy.

The benefits of aligning with a First Nations' land management policy like the Mushkegowuk conservation project will:

- Preserve and allow for Inherent and Treaty Rights of our people, including hunting, fishing, trapping, and gathering.
- Mitigate impacts for large-scale industrial uses, such as oil and gas development, drilling, mineral exploration, bottom trawling, and watershed dumping.
- Prioritize Free, Prior and Informed Consent, ensuring data-sharing and supporting research that braids Indigenous Knowledge with Western science.
- Ensure governance models respect the First Nations peoples as primary stewards in their marine and coastal territory.
- Protect biodiversity, including polar bears, beluga whales, caribou, wolves, geese and all the plants and animals that sustain traditional Indigenous diets and culture to support local food security, culture and livelihoods and healthy ecosystems.

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Data Sovereignty

The CSSB must consider how climate emissions data and the tools the company is using to assess and quantify the biodiversity indicators of Indigenous peoples.

14. The ABPA recommends that the CSSB ensure that CSDS includes consideration of a data framework that is more informed with Indigenous knowledge systems that help companies track and measure the biodiversity indicators and cultural benefits of First Nations impacted by company's activities.

Integrating Indigenous knowledge systems when assessing, monitoring, financing, and developing business opportunities enhances project valuations by collaborating directly with the grassroots peoples of the land.

15. The ABPA recommends that the First Nations principles of ownership, control, access, and possession (OCAP) be a priority and part of company policy for data management with regards to Indigenous relations.

16. The ABPA recommends that the CSSB work with Indigenous-led organizations like Tribal Councils, Political Territorial Organizations and National Indigenous organizations to ensure OCAP principles are applied to standards setting. It must also be acknowledged that the individual communities have the autonomy and authority to provide their cultural values and data and should be engaged in consent on storage and access to this data.

17. As standards setting moves from voluntary to mandatory the ABPA recommends that the CSSB include the Audit and Assurance Standards Board (AASB) in navigating the change management aspects of corporate and financial reporting. It is also beneficial to engage the Public Sector Accounting Board – Indigenous Advisory Committee in this matter.

18. The ABPA is not in support of the CSSB granting extensions to the relief period for resource extractive companies. We are also cautioning the CSSB of an example of the mining industry advocating for preferential treatment of junior companies or SMEs that are seeking a longer relief period.

Appendix

Specifics CSDS 1

1. Scope of proposed CSDS 1 (proposed paragraphs 1-4 of CSDS 1).

(a) Do you agree that the two-year transition relief for disclosures beyond climate-related risks and opportunities is adequate? Please provide your reasons.

Yes, the ABPA is in support of the two-year transition relief. We are not in support of extensions beyond this.

(b) If you do not agree that the two-year transition relief is adequate, what transition relief do you believe is required? Please provide your reasons.

No comment.

2. Timing of reporting (proposed paragraphs 64-69 of CSDS 1)

No comment.

3. Other issues

Do you agree that the requirements in the following sections are appropriate for application in Canada?

Please explain the rationale for your answer.

Section Objectives page 9, third paragraph states in bold:

"This standard requires an entity to disclose information about all sustainability-related risks and opportunities that could be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, or long term. For the purposes of this standard, these risks and opportunities are collectively referred to as "sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects."

While these exposure draft cover supplementary disclosure to financial statements and corporate reporting of sustainability disclosures and climate change, we wonder how these

requirements will impact two complementary aspects, first finance/financing aspect of business and projects, also capital lenders including credit rating agencies process.

(a) Scope

In paragraph 9 “This standard uses terminology suitable for profit-oriented entities, including public sector business entities. If entities with not-for-profit activities in the private sector or the public sector apply this standard, they might need to amend the descriptions used for items of information when applying CSDSs.”

The ABAP serves the First Nation business community, when stating that public sector business entities are included in the scope, is it that we can understand that First Nation business community would be included in the scope but the Indigenous government not-for-profit in public sector would need to amend descriptions?

The ABPA represents mostly small and medium enterprises (SME), so this aspect of business is significant. We understand that the CSRD applies to SME, we wonder how will CSDS 1 and 2 will apply to Canadian SMEs?

(b) Conceptual Foundations

(c) Core Content

(d) General Requirements

In paragraph 55 a) “In addition to CSDSs:

- (a) an entity shall refer to and consider the applicability of the disclosure topics in the Sustainability Accounting Standards Board (SASB) Standards. An entity might conclude that the disclosure topics in the SASB Standards are not applicable in the entity’s circumstances.”

See our comment on SABS in Page 2, Paragraph 5.

(e) Judgments, Uncertainties and Errors

(f) Appendices A-E

The ABPA represents mostly small and medium enterprises (SME), so this aspect of business is significant. We understand that the CSRD applies to SME, we wonder how will CSDS 1 and 2 will apply to Canadian SMEs?

When looking at Appendix C Source of Guidance, as this appendix is an integral part of CSDS 1 and has the same authority as the other parts of the standard we see in paragraph C2 : “In making that judgment, an entity may – to the extent that these sources assist the entity in meeting the objective of this standard (see paragraphs 1-4) and do not conflict with CSDSs – refer to and consider the applicability of:

- (a) the Global Reporting Initiative Standards; and
- (b) the European Sustainability Reporting Standards.”(ESRS)

In paragraph (b) when we look at the European level for example in the “Corporate Sustainability Reporting Directive (CSRD)” it applies to small and medium enterprises (SMEs) in the following ways: Starting January 1, 2026, SMEs designated as public interest SMEs are required to report under a more limited set of CSRD disclosures called ESRS LSME (Limited Scope for Small and Medium Enterprises). These SMEs must meet at least two of the following criteria:

- Between 50-250 employees
- More than 8€ million in annual revenue (and less than 40€ million)
- More than 4€ million in total assets or balance sheet (and less than 20€ million)

Small-medium enterprises that are publicly listed on a regulated market and do not have a larger parent entity report under the streamlined set of simplified LSME reporting requirements. Non-listed SMEs have the option to voluntarily report but are not required to do so currently.

When looking further it also addresses non-EU SMEs with a deadline.... Fiscal year 2026, with the first sustainability statements published in 2027 for Listed SMEs, including non-EU listed SME.

Our ask here, from a business strategic planning, should SME in Canada use these criteria to factor in an initial timeline plus two years for the implementation? And refer to EU SME public interest criteria to define the in-scope SME?

Specifics CSDS 2

1. Climate resilience (proposed paragraph 22 of CSDS 2)

The Board seeks views on whether transition relief and/or guidance would help preparers and users of proposed CSDS 2-related disclosure in their assessment of climate resilience.

(a) Is transition relief required for climate resilience disclosure? If so, for how long and why?

No comment.

b) Is further guidance necessary? If so, which specific elements require guidance and why?

No comment.

(c) Proposed CSDS 2 references the Task Force on Climate-related Financial Disclosures’

“Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities” (2017) and its “Guidance on Scenario Analysis for Non-Financial Companies” (2020) for related application guidance. What additional guidance would an entity applying the standard require? Please be specific.

2. Scope 3 GHG emissions (proposed paragraph C4 of CSDS 2)

(a) Is the proposed relief of up to two years after the entity applies proposed CSDS 2 adequate for an entity to develop skills, processes, and the required capacity to report its Scope 3 GHG emissions disclosures at the same time as the general-purpose financial reports? Please provide a rationale.

No comment.

(b) If you do not agree that a two-year transition relief is sufficient, what relief period do you believe is required? Please provide your rationale for the timing you have provided.

No comment.

(c) If you do not agree that a two-year transition relief is sufficient, what relief period do you believe is required? Please provide your rationale for the timing you have provided.

No comment.

3. Other issues



Do you agree that the requirements in the following sections are appropriate for application in Canada? Please explain the rationale for your answer.

- (a) Objective
- (b) Scope
- (c) Core content
- (d) Appendices A-C

No comment.