

16 February 2022

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Financial and Consumer Services Commission, New Brunswick
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Nova Scotia Securities Commission
Nunavut Securities Office
Office of the Superintendent of Securities, Newfoundland and Labrador
Ontario Securities Commission
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Re: Draft Regulation 51-107 respecting Disclosure of Climate-related Matters

The United Nations-supported [Principles for Responsible Investment](#) (PRI) and its undersigned signatories write to convey key recommendations in response to the *Draft Regulation 51-107 respecting Disclosure of Climate-related Matters*.

The PRI is the world's leading initiative on responsible investment, with over 4,375 signatories (pension funds, insurers, investment managers and service providers) to the PRI's six principles with approximately US \$121 trillion in assets under management. More than 200 PRI signatories are finance industry actors headquartered in Canada.

The PRI applauds Canadian regulatory efforts to enhance corporate climate disclosure as the status quo does not currently meet investor needs. Improvements to disclosure should be part of a larger coordinated effort to facilitate the more thorough provision of investment relevant ESG information to investors who require comprehensive, comparable and decision useful data from companies on climate change and a range of ESG issues.

Broadly, the PRI recommends that the Canadian federal government, all provincial governments and respective regulatory bodies require consistent mandatory climate-related disclosure for publicly traded and privately owned companies operating under their jurisdiction. As outlined in the recent [IEA Energy Policy Review for Canada](#), nothing less than an ambitious, significant and concerted whole of government approach to regulatory action will be enough to meet the challenge of Canada's 2030 and 2050 targets. This not only applies to decarbonising Canada's energy system, but also leveraging the financial sector to enable and drive deep decarbonisation of the economy.

Furthermore, PRI encourages the CSA to actively engage with international standard setting developments led by the IFRS Foundation and the International Sustainability Standards Board. Canada's corporate disclosure regulations should build on as well as contribute to international standard-setting initiatives to establish a common baseline on sustainability reporting.

KEY RECOMMENDATIONS FOR DRAFT REGULATION 51-107 RESPECTING DISCLOSURE OF CLIMATE-RELATED MATTERS:

- **Require mandatory disclosure of scenario analysis for all reporting issuers,** allowing narrative-based reporting for the first year of the rule's enforcement. Forward looking scenario analysis is essential for companies and financial institutions to guide their climate-related decision making.
- **Require mandatory disclosure of Scopes 1 and 2 and the most relevant Scope 3 emissions categories using GHG protocol methodology.**
- **Phase in external verification of corporate reporting on Scopes 1 and 2 GHG emissions in line with the GHG Protocol.**
- **Encourage disclosure against the 6 other cross-industry categories of metrics set out in the 2021 TCFD guidance on [Metric, Targets and Transition Plans](#) and phase in mandatory disclosure requirement.**
- **Phase in required disclosure of a corporate transition plan** which demonstrates the degree to which the entity is working to limit global warming to 1.5°C **in alignment with the [Canadian Net-Zero Emissions Accountability Act](#).**
- **Ensure regular biennial review of National Instrument 51-107 once in force.**

Thank you for the opportunity to share our views. For further conversation and follow up, please feel free to contact our policy team:

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- Jodi-Ann Wang, Climate Policy Analyst at jodi-ann.wang@unpri.org

Yours sincerely,



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