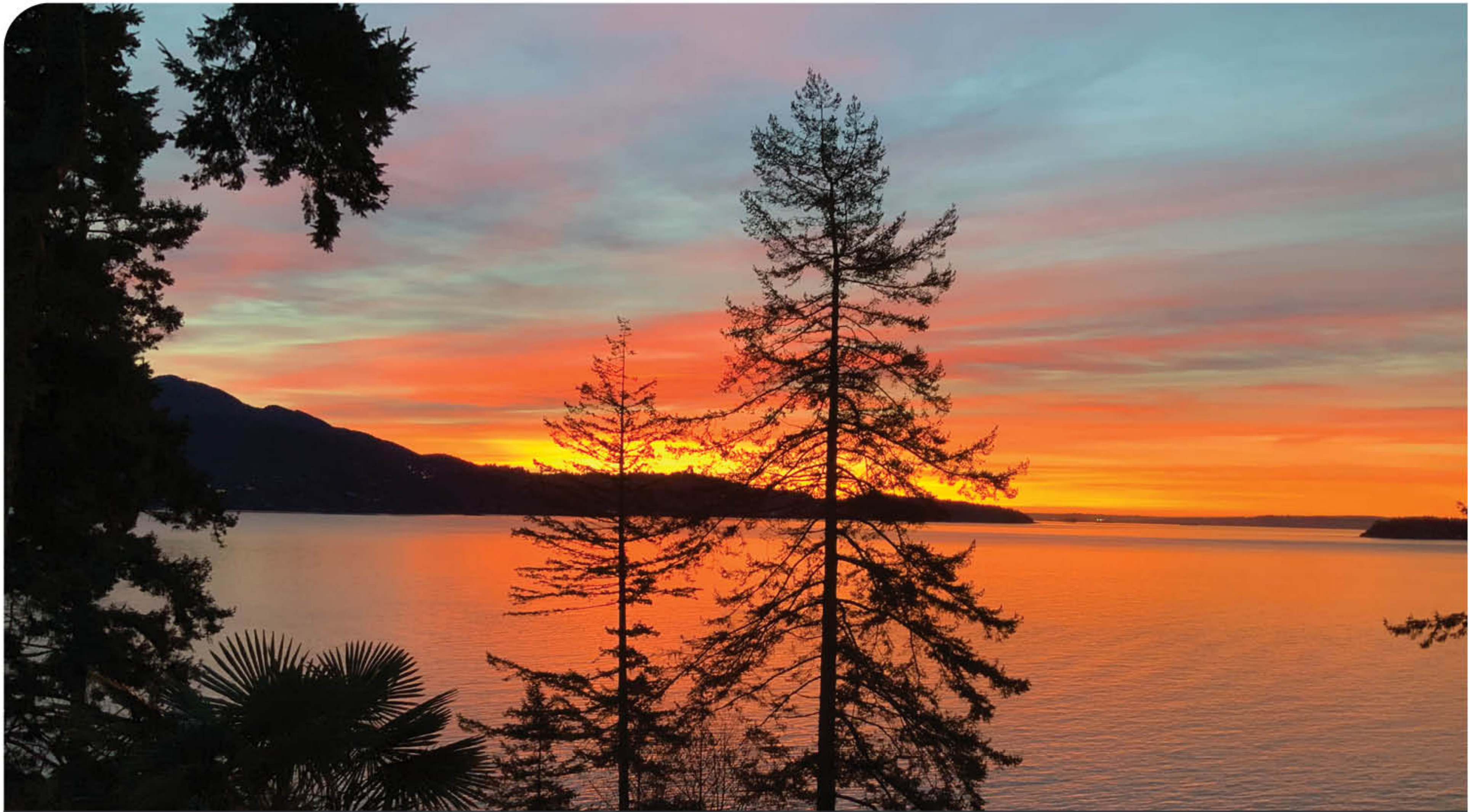

A New Dawn in Climate Disclosure:

Comparing Canada's proposed National Instrument 51-107 with proposed SEC rules and IFRS/ISSB standards

Canada Climate Law Initiative | L'Initiative canadienne de droit climatique

INTRODUCTION

Policies on disclosure of climate-related risks and opportunities are rapidly developing in Canada and globally. The Canada Climate Law Initiative (CCLI) has produced this chart to allow policymakers, investors, and civil society organizations to compare proposals made by Canadian securities regulators in proposed National Instrument 51-107 Disclosure of Climate-related Matters, with the United States Securities and Exchange Commission (SEC) Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors, and the International Financial Reporting Standards (IFRS) Foundation's new International Sustainability Standards Board's Exposure Draft IFRS S2 Climate-Related Disclosures. Please note that the SEC rule is over 500 pages and CCLI has highlighted proposed requirements using the Taskforce on Climate-related Financial Disclosures (TCFD) framework to organize the comparisons made in the chart. Readers are advised to consult the actual proposed rules and standards for more detailed information.

None of the proposed national instrument/rules/exposure draft are yet finalized. The Canadian Securities Administrators' consultation period on proposed NI 51-107 is complete, and a summary of the 131 submissions can be found at Summary of 131 submissions to CSA on proposed National Instrument 51-107 Disclosure of Climate-related Matters - Canada Climate Law Initiative (ubc.ca). There is currently a public consultation period for the proposed SEC rule, which ends 17 June 2022. For the IFRS/ISSB exposure draft, the public consultation period ends 29 July 2022.

THIS CHART WAS COMPILED BY: Dr. Janis Sarra, Jenaya Copithorne, and Michael Irish, Canada Climate Law Initiative, May 2022

ABOUT THE CANADA CLIMATE LAW INITIATIVE

The Canada Climate Law Initiative examines the legal duties of corporate directors, officers, pension fiduciaries, and asset managers to consider, manage, and report on climate-related financial risks and opportunities, advancing knowledge on effective climate governance practice. It is a collaboration of the University of British Columbia (UBC) Centre for Business Law and Osgoode Hall Law School, York University; and is the Canadian partner of the global Commonwealth Climate and Law Initiative, founded at Oxford University, United Kingdom. The Canada Climate Law Initiative acknowledges that the UBC Point Grey campus is situated on the traditional, ancestral, and unceded territory of the xwməθkʷəy̓əm (Musqueam) and is committed to working in partnership with Indigenous Peoples on effective climate governance.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Governance (Section C.1) Disclose the organization's governance around climate-related risks and opportunities	**a) Describe the board's oversight of climate-related risks and opportunities.** In describing the board's oversight of climate-related issues, organizations should consider including a discussion of the following: – processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues; – whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures; and – how the board monitors and oversees progress against goals and targets for addressing climate-related issues.	Issuers should describe their governance of climate-related risks/opportunities including the board's oversight and management's role in assessing and managing climate-related risks and opportunities, and how the board is integrating climate-related issues in its business strategy and management of risk. Board oversight should include setting targets for transitioning to net-zero GHG emissions and monitoring progress in meeting targets. The audit committee has an important role in ensuring the integrity of the board's financial reporting in respect of climate-related matters.	**FORM 51-107A** **1. (a)** Describe the board of directors' oversight of climate-related risks and opportunities. Part 2, NI 51-107	**§ 229.1501 (Item 1501) Governance.** **(a)(1)** Describe the board of director's oversight of climate-related risks. Include the following, as applicable: **(i)** The identity of any board members or board committee responsible for the oversight of climate-related risks; **(ii)** Whether any member of the board of directors has expertise in climate-related risks, with disclosure in such detail as necessary to fully describe the nature of the expertise; **(iii)** The processes by which the board of directors or board committee discusses climate-related risks, including how the board is informed about climate-related risks, and the frequency of such discussion; **(iv)** Whether and how the board of directors or board committee considers climate-related risks as part of its business strategy, risk management, and financial oversight; and **(v)** Whether and how the board of directors sets climate-related targets or goals, and how it oversees progress against those targets or goals, including the establishment of any interim targets or goals. **(2)** If applicable, a registrant may also describe the board of director's oversight of climate-related opportunities.	**4** The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reporting to understand the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities. **5** An entity shall disclose information about the governance body or bodies (which can include a board, committee or equivalent body charged with governance) with oversight of climate-related risks and opportunities, and information about management's role in those processes. Specifically, an entity shall disclose: **(a)** the identity of the body or individual within a body responsible for oversight of climate-related risks and opportunities; **(b)** how the body's responsibilities for climate-related risks and opportunities are reflected in the entity's terms of reference, board mandates and other related policies; **(c)** how the body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities; **(d)** how and how often the body and its committees (audit, risk or other committees) are informed about climate-related risks and opportunities; **(e)** how the body and its committees consider climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions, and its risk management policies, including any assessment of trade-offs and analysis of sensitivity to uncertainty that may be required; **(f)** how the body and its committees oversee the setting of targets related to significant climate-related risks and opportunities, and monitor progress towards them (see paragraphs 23–24), including whether and how related performance metrics are included in remuneration policies

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Governance (cont.)	**b) Describe management's role in assessing and managing climate-related risks and opportunities.** In describing management's role related to the assessment and management of climate- related issues, organizations should consider including the following information: – whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues; – a description of the associated organizational structure(s); – processes by which management is informed about climate-related issues; and – how management (through specific positions and/or management committees) monitors climate-related issues.	Issues should describe their governance of climate-related risks and opportunities, including management's role in assessing and managing climate-related risks and opportunities, including policies and procedures related to management of risks and opportunities and how they are integrated in the overall business plan. Companies should consider embedding effective management of climate-related risks and opportunities in executive compensation.	**FORM 51-107A** **1. (b)** Describe management's role in assessing and managing climate-related risks and opportunities.	**§ 229.1501 (Item 1501) Governance.** **(b)(1)** Describe management's role in assessing and managing climate-related risks. Include the following, as applicable: **(i)** Whether certain management positions or committees are responsible for assessing and managing climate-related risks and, if so, the identity of such positions or committees and the relevant expertise of the position holders or members in such detail as necessary to fully describe the nature of the expertise; **(ii)** The processes by which such positions or committees are informed about and monitor climate-related risks; and **(iii)** Whether and how frequently such positions or committees report to the board or a committee of the board on climate-related risks. **(2)** If applicable, a registrant may also describe management's role in assessing and managing climate-related opportunities.	**5 (cont.)** **(g)** a description of management's role in assessing and managing climate-related risks and opportunities, including whether that role is delegated to a specific management-level position or committee and how oversight is exercised over that position or committee. The description shall include information about whether dedicated controls and procedures are applied to management of climate-related risks and opportunities and, if so, how they are integrated with other internal functions.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Governance (cont.)	**APPLICATION OF RECOMMENDATIONS (Section A.3(b))** Disclosures related to governance do not involve an assessment of materiality.	Issuers should be required to disclose TCFD-recommended governance irrespective of materiality and include in the disclosure an analysis of whether or not each element disclose is material.	**COMPANION POLICY 51-107CP 2. (3)** "Governance" is not subject to a materiality assessment. Accordingly, issuers must provide this disclosure in the applicable continuous disclosure document as required by the Instrument.	**Section II.D** The proposed rules would require a registrant to disclose, as applicable, certain information concerning the board's oversight of climate-related risks, and management's role in assessing and managing those risks. [No indication that disclosure is subject to a materiality assessment.]	**Appendix B** **B5** The objective of this Standard is to require entities to provide material information about their exposure to climate-related risks and opportunities that is useful to users of general-purpose financial reporting in assessing the entity's enterprise value and making decisions about whether to provide economic resources to the entity. **B6** As described in paragraph B3, the disclosures set out in Appendix B and its related volumes have been identified as those that are likely to be useful to users of general purpose financial reporting in making assessments of an entity's enterprise value. However, the responsibility for making materiality judgements and determinations rests with the reporting entity for all requirements in IFRS Sustainability Disclosure Standards, including this Standard. Therefore, an entity shall disclose information related to a specific requirement when it concludes that the information is material to the users of the information in assessing the enterprise value of the entity.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (Section C.2) Disclose the actual and potential impacts of climate-related risks & opportunities on the organization's businesses, strategy, and financial planning where such information is material.	**a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.** Organizations should provide the following information: – a description of what they consider to be the relevant short-, medium-, and long- term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms; – a description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organization; and – a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization. Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.	Issuers must describe the climate-related risks and opportunities they have identified over the short, medium, and long term, including physical and transition risks, whether they are acute and/or chronic risks, and their effects on the business plan, strategy, and financial position of the company. Issuers should be assessing risks and opportunities across the entire value chain of the business. They should disclose their transition plans to address these risks and opportunities.	Part 2, NI 51-107 Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is *material.* **FORM 51-107B** **1. (a)** Describe the climate-related risks and opportunities the issuer has identified over the short, medium, and long term. A reporting issuer must include the disclosure referred to in Form 51-107B in its AIF, or if it does not file an AIF, in its annual MD&A.	**§ 229.1502 (Item 1502)** Strategy, business model, and outlook. **(a)** Describe any climate-related risks reasonably likely to have a material impact on the registrant, including on its business or consolidated financial statements, which may manifest over the short, medium, and long term. If applicable, a registrant may also disclose the actual and potential impacts of any climate-related opportunities when responding to any of the provisions in this section. **(1)** Discuss such climate-related risks, specifying whether they are physical or transition risks and the nature of the risks presented. **(i)** For physical risks, describe the nature of the risk, including if it may be categorized as an acute or chronic risk, and the location and nature of the properties, processes, or operations subject to the physical risk. **(A)** If a risk concerns the flooding of buildings, plants, or properties located in flood hazard areas, disclose the percentage of those assets (square meters or acres) that are located in flood hazard areas in addition to their location. **(B)** If a risk concerns the location of assets in regions of high or extremely high water stress, disclose the amount of assets (e.g., book value and as a percentage of total assets) located in those regions in addition to their location. Also disclose the percentage of the registrant's total water usage from water withdrawn in those regions. **(ii)** For transition risks, describe the nature of the risk, including whether it relates to regulatory, technological, market (including changing consumer, business counterparty, and investor preferences), liability, reputational, or other transition-related factors, and how those factors impact the registrant. A registrant that has significant operations in a jurisdiction that has made a GHG emissions reduction commitment may be exposed to transition risks related to the implementation of the commitment. **(2)** Describe how the registrant defines short-, medium-, and long-term time horizons, including how it takes into account or reassesses the expected useful life of the registrant's assets and the time horizons for the registrant's climate-related planning processes and goals.	**7** The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reporting to understand an entity's strategy for addressing significant climate-related risks and opportunities. **8** To achieve this objective, an entity shall disclose information about: (a) the significant climate-related risks and opportunities that it reasonably expects could affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term; (b) the effects of significant climate-related risks and opportunities on its business model and *value chain*; (c) the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its *transition plans*; (d) the effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term—including how climate-related risks and opportunities are included in the entity's financial planning; and (e) the *climate resilience* of its strategy (including its business model) to significant physical risks and significant transition risks **9** An entity shall disclose information that enables users of general purpose financial reporting to understand the significant climate-related risks and opportunities that could reasonably be expected to affect the entity's business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term. Specifically, the entity shall disclose: **(a)** a description of significant climate-related risks and opportunities and the time horizon over which each could reasonably be expected to affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term. **(b)** how it defines short, medium and long term and how these definitions are linked to the entity's strategic planning horizons and capital allocation plans. **(c)** whether the risks identified are physical risks or transition risks. For example, acute physical risks could include the increased severity of extreme weather events such as cyclones and floods, and examples of chronic physical risks include rising sea levels or rising mean temperatures. Transition risks could include regulatory, technological, market, legal or reputational risks. **11** In preparing disclosures to fulfil the requirements in paragraphs 12–15, an entity shall refer to and consider the applicability of cross-industry metric categories and the industry-based metrics associated with disclosure topics, as described in paragraph 20.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate -Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (cont.)	**b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.** Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. Organizations should consider including the impact on their businesses, strategy, and financial planning in the following areas: – Products and services – Supply and value chain – Adaptation and mitigation activities – Investment in research and development – Operations (including types and location of facilities) – Acquisitions or divestments – Access to capital Describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.	An issuer must describe the impact of climate- related risks and opportunities on the issuer's businesses, strategy, and financial planning, including current and anticipated effects of significant climate-related risks and opportunities on its value chain, specific initiatives aimed at mitigation and adaptation, and how it plans to achieve climate-related targets it has set. Disclosure of climate-related risks and opportunities should be embedded in financial reporting and there should be third-party assurance regarding the disclosures.	**FORM 51-107B** **1. (b)** Describe the impact of climate-related risks and opportunities on the issuer's businesses, strategy, and financial planning.	**§ 229.1502 (Item 1502)** Strategy, business model, and outlook. **(b)** Describe the actual and potential impacts of any climate-related risks identified in response to paragraph (a) of this section on the registrant's strategy, business model, and outlook. **(1)** Include impacts on the registrant's: **(i)** Business operations, including the types and locations of its operations; **(ii)** Products or services; **(iii)** Suppliers and other parties in its value chain; **(iv)** Activities to mitigate or adapt to climate-related risks, including adoption of new technologies or processes; **(v)** Expenditure for research and development; and **(vi)** Any other significant changes or impacts. **(2)** Include the time horizon for each described impact (i.e., in the short, medium, or long term, as defined in response to paragraph (a) of this section). **(c)** Discuss whether and how any impacts described in response to paragraph (b) of this section are considered as part of the registrant's business strategy, financial planning, and capital allocation. Provide both current and forward-looking disclosures that facilitate an understanding of whether the implications of the identified climate-related risks have been integrated into the registrant's business model or strategy, including how any resources are being used to mitigate climate-related risks. Include in this discussion how any of the metrics referenced in § 210.14- 02 of this chapter and § 229.1504 or any of the targets referenced in § 229.1506 relate to the registrant's business model or business strategy. If applicable, include in this discussion the role that carbon offsets or RECs play in the registrant's climate-related business strategy. If applicable, include in this discussion the role that carbon offsets or RECs play in the registrant's climate-related business strategy.	**12** An entity shall disclose information that enables users of general purpose financial reporting to understand the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its transition plans. Specifically, an entity shall disclose: **(a)** a description of the current and anticipated effects of significant climate-related risks and opportunities on its value chain, and **(b)** a description of where in its value chain significant climate-related risks and opportunities are concentrated (for example, geographical areas, facilities or types of assets, inputs, outputs or distribution channels.) **Strategy and decision-making** **13.** An entity shall disclose information that enables users of general purpose financial reporting to understand the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its transition plans. Specifically, an entity shall disclose: (a) how it is responding to significant climate-related risks and opportunities including how it plans to achieve any climate-related targets it has set. This shall include: (i) information about current and anticipated changes to its business model, including: (1) about changes the entity is making in strategy and resource allocation to address the risks and opportunities identified in paragraph 12. Examples of these changes include resource allocations resulting from demand or supply changes, or from new business lines; resource allocations arising from business development through capital expenditures or additional expenditure on operations or research and development; and acquisitions and divestments. This information includes plans and critical assumptions for *legacy assets*, including strategies to manage carbon energy-and water-intensive operations, and to decommission carbon-energy- and water-intensive assets. (2) information about direct adaptation and mitigation efforts it is undertaking (for example, through changes in production processes, workforce adjustments, changes in materials used, product specifications or through introduction of efficiency measures). (3) information about indirect adaptation and mitigation efforts it is undertaking (for example, by working with customers and supply chains or use of procurement). (ii) how these plans will be resourced. (b) information regarding climate-related targets for these plans including: (i) the processes in place for review of the targets; (ii) the amount of the entity's emission target to be achieved through emission reductions within the entity's value chain; (iii) the intended use of *carbon offsets* in achieving emissions targets. In explaining the intended use of carbon offsets the entity shall disclose information including: (1) the extent to which the targets rely on the use of carbon offsets; (2) whether the offsets will be subject to a third-party offset verification or certification scheme (*certified carbon offset*), and if so, which scheme, or schemes; (3) the type of carbon offset, including whether the offset will be nature-based or based on technological carbon removals and whether the amount intended to be achieved is through carbon removal or emission avoidance; and (4) any other significant factors necessary for users to understand the credibility and integrity of offsets intended to be used by the entity (for example, assumptions regarding the permanence of the carbon offset).

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (cont.)	**b) (cont.)** Organizations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities). If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.			**§ 229.1502 (Item 1502)** Strategy, business model, and outlook. **(d)** Provide a narrative discussion of whether and how any climate-related risks in paragraph (a) have affected or are reasonably likely to affect the registrant's consolidated financial statements. The discussion should include any of the climate- related metrics referenced in § 210.14-02 of this chapter that demonstrate that the identified climate-related risks have had a material impact on reported financial condition or operations. **§ 210.14-01 Climate-related disclosure instructions.** **(a)** General. A registrant must include disclosure pursuant to § 210.14-02 [of financial impacts on a line item in the registrant's consolidated financial statements related to severe weather events, other natural conditions, or transition activities] in any filing that is required to include disclosure pursuant to subpart 229.1500 of this chapter and that also requires the registrant to include its audited financial statements. The disclosure pursuant to § 210.14-02 must be included in a note to the financial statements included in such filing. [*Note: § 210.14-02 located in the Metrics and Targets section below.*]	**13 cont.** (c) quantitative and qualitative information about the progress of plans disclosed in prior reporting periods in accordance with paragraph 13(a)–(b). Related requirements are provided in paragraph 20. **Financial position, financial performance and cash flows** **14** An entity shall disclose information that enables users of general purpose financial reporting to understand the effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term—including how climate-related risks and opportunities are included in the entity's financial planning. An entity shall disclose quantitative information unless it is unable to do so. If an entity is unable to provide quantitative information, it shall provide qualitative information. When providing quantitative information, an entity can disclose single amounts or a range. Specifically, an entity shall disclose: **(a)** how significant climate-related risks and opportunities have affected its most recently reported financial position, financial performance and cash flows; **(b)** information about the climate-related risks and opportunities identified in paragraph 14(a) for which there is a significant risk that there will be a material adjustment to the carrying amounts of assets and liabilities reported in the financial statements within the next financial year; **(c)** how it expects its financial position to change over time, given its strategy to address significant climate-related risks and opportunities, reflecting: **(i)** its current and committed investment plans and their anticipated effects on its financial position (for example, capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements); **(ii)** its planned sources of funding to implement its strategy; **(d)** how it expects its financial performance to change over time, given its strategy to address significant climate-related risks and opportunities (for example, increased revenue from or costs of products and services aligned with a lower-carbon economy, consistent with the *latest international agreement on climate change*; physical damage to assets from climate events; and the costs of climate adaptation or mitigation); and **(e)** if the entity is unable to disclose quantitative information for paragraph 14(a)–(d), an explanation of why that is the case.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (cont.) Transition plans	**b) (cont.)** Organizations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.	Issuers should be required to develop net-zero transition plans, including disclosure of interim and final targets towards net-zero emissions, annual progress in meeting targets, and information on how the issuer intends to deliver on its targets.	No mention of transition plans	**§ 229.1500 (Item 1500) Definitions.** **(s)** Transition plan means a registrant's strategy and implementation plan to reduce climate-related risks, which may include a plan to reduce its GHG emissions in line with its own commitments or commitments of jurisdictions within which it has significant operations. **§ 229.1503 (Item 1503) Risk management.** **(c)(1)** If the registrant has adopted a transition plan as part of its climate-related risk management strategy, describe the plan, including the relevant metrics and targets used to identify and manage any physical and transition risks. To allow for an understanding of the registrant's progress to meet the plan's targets or goals over time, a registrant must update its disclosure about the transition plan each fiscal year by describing the actions taken during the year to achieve the plan's targets or goals. **(2)** If the registrant has adopted a transition plan, discuss, as applicable: **(i)** How the registrant plans to mitigate or adapt to any identified physical risks, including but not limited to those concerning energy, land, or water use and management; **(ii)** How the registrant plans to mitigate or adapt to any identified transition risks, including the following: **(A)** Laws, regulations, or policies that: **(1)** Restrict GHG emissions or products with high GHG footprints, including emissions caps; or **(2)** Require the protection of high conservation value land or natural assets; **(B)** Imposition of a carbon price; and **(C)** Changing demands or preferences of consumers, investors, employees, and business counterparties. **(3)** If applicable, a registrant that has adopted a transition plan as part of its climate-related risk management strategy may also describe how it plans to achieve any identified climate-related opportunities, such as: **(i)** The production of products that may facilitate the transition to a lower carbon economy, such as low emission modes of transportation and supporting infrastructure; **(ii)** The generation or use of renewable power; **(iii)** The production or use of low waste, recycled, or other consumer products that require less carbon intensive production methods; **(iv)** The setting of conservation goals and targets that would help reduce GHG emissions; and **(v)** The provision of services related to any transition to a lower carbon economy.	[See 13 above regarding disclosure of transition plans]

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (cont.)	**c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.** Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks. Organizations should consider discussing: – where they believe their strategies may be affected by climate-related risks and opportunities; – how their strategies might change to address such potential risks and opportunities; – the potential impact of climate-related issues on financial performance – the climate-related scenarios and associated time horizon(s) considered.	Scenario analysis should be required as part of a required transition plan, which helps inform strategic planning to ensure the resilience of the issuer. However regulators could allow disclosure of results of the scenario analysis to be phased in over a specified period, commencing with disclosing that scenario analysis is being undertaken, the methodologies used, and key factors that have influenced the issuer's management of climate-related risks and opportunities.	**COMPANION POLICY 51-107CP** **2. (1)** The Instrument does not require issuers to disclose a scenario analysis.	**§ 229.1502 (Item 1502) Strategy, business model, and outlook.** **(f)** Describe the resilience of the registrant's business strategy in light of potential future changes in climate-related risks. Describe any analytical tools, such as scenario analysis, that the registrant uses to assess the impact of climate-related risks on its business and consolidated financial statements, and to support the resilience of its strategy and business model. If the registrant uses scenario analysis to assess the resilience of its business strategy to climate-related risks, disclose the scenarios considered (e.g., an increase of no greater than 3°C, 2°C, or 1.5°C above pre-industrial levels), including parameters, assumptions, and analytical choices, and the projected principal financial impacts on the registrant's business strategy under each scenario. The disclosure should include both qualitative and quantitative information.	**15** An entity shall disclose information that enables users of general purpose financial reporting to understand the resilience of the entity's strategy (including its business model) to climate-related changes, developments or uncertainties—taking into consideration an entity's identified significant climate-related risks and opportunities and related uncertainties. The entity shall use climate-related scenario analysis to assess its climate resilience unless it is unable to do so. If an entity is unable to use climate-related scenario analysis, it shall use an alternative method or technique to assess its climate resilience. When providing quantitative information, an entity can disclose single amounts or a range. Specifically, the entity shall disclose: **(a)** the results of the analysis of climate resilience, which shall enable users to understand: **(i)** the implications, if any, of the entity's findings for its strategy, including how it would need to respond to the effects identified in paragraph 15(b)(i)(8) or 15(b)(ii)(6); (ii) the significant areas of uncertainty considered in the analysis of climate resilience; **(iii)** the entity's capacity to adjust or adapt its strategy and business model over the short, medium and long term to climate developments in terms of: **(1)** the availability of, and flexibility in, existing financial resources, including capital, to address climate-related risks, and/or to be redirected to take advantage of climate-related opportunities; **(2)** the ability to redeploy, repurpose, upgrade or decommission existing assets; and **(3)** the effect of current or planned investments in climate- related mitigation, adaptation or opportunities for climate resilience. how the analysis has been conducted, including: **(i)** when climate-related scenario analysis is used: **(1)** which scenarios were used for the assessment and the sources of the scenarios used; **(2)** whether the analysis has been conducted by comparing a diverse range of climate-related scenarios; **(3)** whether the scenarios used are associated with transition risks or increased physical risks; **(4)** whether the entity has used, among its scenarios, a scenario aligned with the latest international agreement on climate change; **(5)** an explanation of why the entity has decided that its chosen scenarios are relevant to assessing its resilience to climate-related risks and opportunities; the time horizons used in the analysis; **(6)** the inputs used in the analysis, including—but not limited to—the scope of risks (for example, the scope of physical risks included in the scenario analysis), **(7)** the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); and **(8)** assumptions about the way the transition to a lower- carbon economy will affect the entity, including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology. **(ii)** when climate-related scenario analysis is not used:

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
					15 cont. **(1)** an explanation of the methods or techniques used to assess the entity's climate resilience (for example, single-point forecasts, sensitivity analysis or qualitative analysis); **(2)** the climate-related assumptions used in the analysis including whether it includes a range of hypothetical outcomes; **(3)** an explanation of why the entity has decided that the chosen climate-related assumptions are relevant to assessing its resilience to climate-related risks and opportunities; (4) the time horizons used in the analysis; **(5)** the inputs used in the analysis, including—but not limited to—the scope of risks (for example, the scope of physical risks included in the analysis), the scope of operations covered (for example, the operating locations used), and details of the assumptions (for example, geospatial coordinates specific to entity locations or national- or regional-level broad assumptions); **(6)** assumptions about the way the transition to a lower- carbon economy will affect the entity, including policy assumptions for the jurisdictions in which the entity operates; assumptions about macroeconomic trends; energy usage and mix; and technology; and **(7)** an explanation of why the entity was unable to use climate-related scenario analysis to assess the climate resilience of its strategy.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Strategy (cont.)	**APPLICATION OF RECOMMENDATIONS (Section A.3(b))** Disclosures related to the Strategy recommendations involve an assessment of materiality.	Issuers should be required to disclose TCFD-recommended strategy irrespective of materiality, and include in the disclosure an analysis of whether each element is material.	**COMPANION POLICY 51-107CP** **2. (3)** Disclosure under the headings "Strategy" is only required where such information is material. Information is likely material if a reasonable investor's decision whether to buy, sell or hold securities in an issuer would likely be influenced or changed if the information in question was omitted or misstated	**Section II.B.2** The proposed rules would require a registrant to disclose whether any climate-related risk is reasonably likely to have a material impact on a registrant, including its business or consolidated financial statements, which may manifest over the short, medium, and long term. The materiality determination that a registrant would be required to make regarding climate-related risks under the proposed rules is similar to what is required when preparing the MD&A section in a registration statement or annual report.	**Appendix B** **B5** The objective of this Standard is to require entities to provide material information about their exposure to climate-related risks and opportunities that is useful to users of general-purpose financial reporting in assessing the entity's enterprise value and making decisions about whether to provide economic resources to the entity. **B6** As described in paragraph B3, the disclosures set out in Appendix B and its related volumes have been identified as those that are likely to be useful to users of general purpose financial reporting in making assessments of an entity's enterprise value. However, the responsibility for making materiality judgements and determinations rests with the reporting entity for all requirements in IFRS Sustainability Disclosure Standards, including this Standard. Therefore, an entity shall disclose information related to a specific requirement when it concludes that the information is material to the users of the information in assessing the enterprise value of the entity.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Risk Management (Section C.3) Disclose how the organization identifies, assesses, and manages climate-related risks.	**a) Describe the organization's processes for identifying and assessing climate-related risks.** Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks. Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered. Organizations should also consider disclosing the following: – processes for assessing the potential size and scope of identified climate-related risks and – definitions of risk terminology used or references to existing risk classification frameworks used. **b) Describe the organization's processes for managing climate-related risks.** Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations. In describing their processes for managing climate-related risks, organizations should address the risks included in Tables A1.1 and A1.2, as appropriate.	CCLI strongly supports requirements for issuers to describe the issuer's processes for identifying and assessing climate-related risks, the issuer's processes for managing climate-related risks, and how processes for identifying, assessing, and managing climate-related risks are integrated into the issuer's overall risk management.	**FORM 51-107B** **2. (a)** Describe the issuer's processes for identifying and assessing climate-related risks. **(b)** Disclose the issuer's processes for managing climate-related risks Part 2, NI 51-107	**§ 229.1503 (Item 1503) Risk management.** **(a)** Describe any processes the registrant has for identifying, assessing, and managing climate-related risks. If applicable, a registrant may also describe any processes for identifying, assessing, and managing climate-related opportunities when responding to any of the provisions in this section. **(1)** When describing any processes for identifying and assessing climate-related risks, disclose, as applicable, how the registrant: **(i)** Determines the relative significance of climate-related risks compared to other risks; **(ii)** Considers existing or likely regulatory requirements or policies, such as GHG emissions limits, when identifying climate-related risks; **(iii)** Considers shifts in customer or counterparty preferences, technological changes, or changes in market prices in assessing potential transition risks; and **(iv)** Determines the materiality of climate-related risks, including how it assesses the potential scope and impact of an identified climate-related risk, such as the risks identified in response to § 229.1502. **(2)** When describing any processes for managing climate-related risks, disclose, as applicable, how the registrant: **(i)** Decides whether to mitigate, accept, or adapt to a particular risk; **(ii)** Prioritizes whether to address climate-related risks; and **(iii)** Determines how to mitigate any high priority risks.	**16** The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reporting to understand the process, or processes, by which climate-related risks and opportunities are identified, assessed and managed. **17** An entity shall disclose: **(a)** the process, or processes, it uses to identify climate-related risks and opportunities; **(b)** the process, or processes, it uses to identify climate-related risks for risk management purposes, including when applicable: **(i)** how it assesses the likelihood and effects associated with such risks (such as the qualitative factors, quantitative thresholds and other criteria used); **(ii)** how it prioritises climate-related risks relative to other types of risks, including its use of risk-assessment tools (for example, science-based risk-assessment tools); **(iii)** the input parameters it uses (for example, data sources, the scope of operations covered and the detail used in assumptions); and **(iv)** whether it has changed the processes used compared to the prior reporting period; **(c)** the process, or processes, it uses to identify, assess and prioritise climate-related opportunities **(d)** the process, or processes, it uses to monitor and manage the climate- related: **i)** risks, including related policies, and **ii)** opportunities, including related policies

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Risk Management (cont.)	**c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.** Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	Issuers should disclose how the climate-related risk identification, assessment and management process, or processes, are integrated into the entity's overall risk management process.	**FORM 51-107B 2. (c)** Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the issuer's overall risk management.	**§ 229.1503 (Item 1503) Risk management.** **(b)** Disclose whether and how any processes described in response to paragraph (a) of this section are integrated into the registrant's overall risk management system or processes. If a separate board or management committee is responsible for assessing and managing climate- related risks, a registrant should disclose how that committee interacts with the registrant's board or management committee governing risks.	**17 (cont.)** An entity shall disclose: **(e)** the extent to which and how the climate-related risk identification, assessment and management process, or processes, are integrated into the entity's overall risk management process; and **(f)** the extent to which and how the climate-related opportunity identification, assessment and management process, or processes, are integrated into the entity's overall management process.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Risk Management (cont.)	**APPLICATION OF RECOMMENDATIONS (Section A.3(b))** Disclosures related to Risk Management do not involve an assessment of materiality.	Issuers should be required to disclose TCFD-recommended risk management irrespective of materiality, and include in the disclosure an analysis of whether each element is material.	**COMPANION POLICY 51-107CP** **2. (3)** "Risk management" disclosure is not subject to a materiality assessment. Accordingly, issuers must provide this disclosure in the applicable continuous disclosure document as required by the Instrument.	**Section II.E.1** The proposed rules would require a registrant to describe any processes the registrant has for identifying, assessing, and managing climate-related risks [...] More granular information regarding any climate-related risk management could allow investors to better understand how a registrant identifies, evaluates, and addresses climate-related risks that may materially impact its business. Such information could also permit investors to ascertain whether a registrant has made the assessment of climate-related risks part of its regular risk management processes. Despite the importance of climate-related risk management information, only a minority of registrants currently include such information in their voluntary climate reports. When describing the processes for identifying and assessing climate-related risks, the registrant would be required to disclose, as applicable, how it determines the relative significance of climate-related risks compared to other risks; how it considers existing or likely regulatory requirements or policies, such as GHG emissions limits, when identifying climate-related risks; how it considers shifts in customer or counterparty preferences, technological changes, or changes in market prices in assessing potential transition risks; and how it determines the materiality of climate-related risks, including how it assesses the potential size and scope of any identified climate-related risk. The proposed rules would also require a registrant to disclose whether and how climate- related risks are integrated into the registrant's overall risk management system or processes. [No indication that disclosure is subject to a materiality assessment.]	**Appendix B** **B5** The objective of this Standard is to require entities to provide material information about their exposure to climate-related risks and opportunities that is useful to users of general-purpose financial reporting in assessing the entity's enterprise value and making decisions about whether to provide economic resources to the entity. **B6** As described in paragraph B3, the disclosures set out in Appendix B and its related volumes have been identified as those that are likely to be useful to users of general purpose financial reporting in making assessments of an entity's enterprise value. However, the responsibility for making materiality judgements and determinations rests with the reporting entity for all requirements in IFRS Sustainability Disclosure Standards, including this Standard. Therefore, an entity shall disclose information related to a specific requirement when it concludes that the information is material to the users of the information in assessing the enterprise value of the entity.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (Section C.4) Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	**a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.** Organizations should provide the key metrics used to measure and manage climate-related risks and opportunities, as well as metrics consistent with the cross-industry, climate-related metric categories. Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable. Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies. Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy. Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, organizations should consider providing forward-looking metrics for the cross-industry, climate-related metric categories, consistent with their business or strategic planning time horizons. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics.	CCLI supports a requirement for issuers to disclose the metrics used by the issuer to assess climate-related risks and opportunities in line with its strategy and risk management process. This disclosure should form part of financial reporting.	Part 2 Disclosure under "Metrics and targets" is only required where such information is *material.* Information is likely material if a reasonable investor's decision whether to buy, sell or hold securities in an issuer would likely be influenced or changed if the information in question was omitted or misstated. **FORM 51-107B** **3. (a)** Disclose the metrics used by the issuer to assess climate-related risks and opportunities in line with its strategy and risk management process. (b) Describe the targets used by the issuer to manage climate-related risks and opportunities and the issuer's performance	**§ 210.14-02 Climate-related metrics.** **(a)** Provide contextual information, describing how each specified metric was derived, including a description of significant inputs and assumptions used, and, if applicable, policy decisions made by the registrant to calculate the specified metrics. **(b)** Disclosure of the financial impact on a line item in the registrant's consolidated financial statements is not required if the sum of the absolute values of all the impacts on the line item is less than one percent of the total line item for the relevant fiscal year. **(c)** Financial impacts of severe weather events and other natural conditions. Disclose the impact of severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise on any relevant line items in the registrant's consolidated financial statements during the fiscal years presented. Disclosure must be presented, at a minimum, on an aggregated line-by-line basis for all negative impacts and, separately, at a minimum, on an aggregated line-by-line basis for all positive impacts. Impacts may include, for example: **(1)** Changes to revenues or costs from disruptions to business operations or supply chains; **(2)** Impairment charges and changes to the carrying amount of assets (such as inventory, intangibles, and property, plant and equipment) due to the assets being exposed to severe weather, flooding, drought, wildfires, extreme temperatures, and sea level rise; **(3)** Changes to loss contingencies or reserves (such as environmental reserves or loan loss allowances) due to impact from severe weather events; and **(4)** Changes to total expected insured losses due to flooding or wildfire patterns. **(d)** Financial impacts related to transition activities. Disclose the impact of any efforts to reduce GHG emissions or otherwise mitigate exposure to transition risks on any relevant line items in the registrant's consolidated financial statements during the fiscal years presented. Disclosure must be presented, at a minimum, on an aggregated line-by-line basis for all negative impacts and, separately, at a minimum, on an aggregated line-by-line basis for all positive impacts. Impacts may include, for example: **(1)** Changes to revenue or cost due to new emissions pricing or regulations resulting in the loss of a sales contract;	**19** The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reporting to understand how an entity measures, monitors and manages its significant climate-related risks and opportunities. These disclosures shall enable users to understand how the entity assesses its performance, including progress towards the targets it has set. **20** To achieve this objective, an entity shall disclose: **(a)** information relevant to the cross-industry metric categories (see paragraph 21), which are relevant to entities regardless of industry and business model; **(b)** industry-based metrics (as set out in Appendix B) which are associated with disclosure topics and relevant to entities that participate within an industry, or whose business models and underlying activities share common features with those of the industry; **(c)** other metrics used by the board or management to measure progress towards the targets identified in paragraph 20(d); and **(d)** targets set by the entity to mitigate or adapt to climate-related risks or maximise climate-related opportunities. **21** An entity shall disclose information relevant to the following metric categories: [*Note: Section 21(a) is located in the table on Page 19*] **(b)** transition risks - the amount and percentage of assets or business activities vulnerable to transition risks; **(c)** physical risks—the amount and percentage of assets or business activities vulnerable to physical risks; **(d)** climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities; **(e)** capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities; **(f)** internal carbon prices: **(i)** the price for each metric tonne of greenhouse gas emissions that the entity uses to assess the costs of its emissions; **(ii)** an explanation of how the entity is applying the carbon price in decision-making […] **(g)** remuneration: **(i)** the percentage of executive management remuneration recognised in the current period that is linked to climate- related considerations; and

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)			**3(b) cont.** against these targets.	**(2)** Changes to operating, investing, or financing cash flow from changes in upstream costs, such as transportation of raw materials; **(3)** Changes to the carrying amount of assets (such as intangibles and property, plant, and equipment) due to, among other things, a reduction of the asset's useful life or a change in the asset's salvage value by being exposed to transition activities; and **(4)** Changes to interest expense driven by financing instruments such as climate-linked bonds issued where the interest rate increases if certain climate-related targets are not met. **(e)** Expenditure to mitigate risks of severe weather events and other natural conditions. Disclose separately the aggregate amount of expenditure expensed and the aggregate amount of capitalized costs incurred during the fiscal years presented to mitigate the risks from severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise. For example, a registrant may be required to disclose the amount of expense or capitalized costs, as applicable, to increase the resilience of assets or operations, retire or shorten the estimated useful lives of impacted assets, relocate assets or operations at risk, or otherwise reduce the future impact of severe weather events and other natural conditions on business operations. **(f)** Expenditure related to transition activities. Disclose separately the aggregate amount of expenditure expensed and the aggregate amount of capitalized costs incurred during the fiscal years presented to reduce GHG emissions or otherwise mitigate exposure to transition risks. For example, a registrant may be required to disclose the amount of expense or capitalized costs, as applicable, related to research and development of new technologies, purchase of assets, infrastructure, or products that are intended to reduce GHG emissions, increase energy efficiency, offset emissions (purchase of energy credits), or improve other resource efficiency. A registrant that has disclosed GHG emissions reduction targets or other climate-related commitments must disclose the expenditures and costs related to meeting its targets, commitments, and goals, if any, in the fiscal years presented. **(g)** Financial estimates and assumptions impacted by severe weather events and other natural conditions. Disclose whether the estimates and assumptions the registrant used to produce the consolidated financial statements were impacted by exposures to risks and uncertainties associated	**(ii)** a description of how climate-related considerations are factored into executive remuneration.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)				with, or known impacts from, severe weather events and other natural conditions, such as flooding, drought, wildfires, extreme temperatures, and sea level rise. If yes, provide a qualitative description of how the development of such estimates and assumptions were impacted by such events. **(h)** Financial estimates and assumptions impacted by transition activities. Disclose whether the estimates and assumptions the registrant used to produce the consolidated financial statements were impacted by risks and uncertainties associated with, or known impacts from, a potential transition to a lower carbon economy or any climate-related targets disclosed by the registrant. If yes, provide a qualitative description of how the development of such estimates and assumptions were impacted by such a potential transition or the registrant's disclosed climate-related targets. **§ 229.1502 (Item 1502)** **(e)(1)** If a registrant maintains an internal carbon price, disclose: **(i)** The price in units of the registrant's reporting currency per metric ton of CO2e; **(ii)** The total price, including how the total price is estimated to change over time, if applicable; **(iii)** The boundaries for measurement of overall CO2e on which the total price is based if different from the GHG emission organizational boundary required pursuant to § 229.1504(e)(2); and **(iv)** The rationale for selecting the internal carbon price applied. **(2)** Describe how the registrant uses any internal carbon price described in response to paragraph (e)(1) of this section to evaluate and manage climate-related risks. **(3)** If a registrant uses more than one internal carbon price, it must provide the disclosures required by this section for each internal carbon price, and disclose its reasons for using different prices.	

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)	**b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.** Organizations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. All organizations should consider disclosing Scope 3 GHG emissions. GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	Disclosure of Scope 1, 2, and 3 emissions should be mandatory for all issuers.	**FORM 51-107B** **4. (a)** Disclose: **(i)** the issuer's Scope 1 GHG emissions and the related risks, or the issuer's reasons for not disclosing this information, **(ii)** the issuer's Scope 2 GHG emissions and the related risks, or the issuer's reasons for not disclosing this information, and **(iii)** the issuer's Scope 3 GHG emissions and the related risks, or the issuer's reasons for not disclosing this information. **(b)** disclose the reporting standard used by the issuer to calculate and disclose the GHG emissions referred to in (a). **(c)** If the reporting standard referred to in (b) is not the GHG Protocol, disclose how the reporting standard used by the issuer is comparable with the GHG Protocol. A reporting issuer that includes the disclosure of GHG emissions	**§ 229.1504 (Item 1504) GHG emissions metrics.** **(a)** *General.* Disclose a registrant's GHG emissions, as defined in § 229.1500(h), for its most recently completed fiscal year, and for the historical fiscal years included in its consolidated financial statements in the filing, to the extent such historical GHG emissions data is reasonably available. **(1)** For each required disclosure of a registrant's Scopes 1, 2, and 3 emissions, disclose the emissions both disaggregated by each constituent greenhouse gas, as specified in § 229.1500(g), and in the aggregate, expressed in terms of CO2e. **(2)** When disclosing a registrant's Scopes 1, 2, and 3 emissions, exclude the impact of any purchased or generated offsets. **(b)** *Scopes 1 and 2 emissions.* **(1)** Disclose the registrant's total Scope 1 emissions and total Scope 2 emissions separately after calculating them from all sources that are included in the registrant's organizational and operational boundaries. **(2)** When calculating emissions pursuant to paragraph (b)(1) of this section, a registrant may exclude emissions from investments that are not consolidated, are not proportionately consolidated, or that do not qualify for the equity method of accounting in the registrant's consolidated financial statements. **(c)** *Scope 3 emissions.* **(1)** Disclose the registrant's total Scope 3 emissions if material. A registrant must also disclose its Scope 3 emissions if it has set a GHG emissions reduction target or goal that includes its Scope 3 emissions. Disclosure of a registrant's Scope 3 emissions must be separate from disclosure of its Scopes 1 and 2 emissions. If required to disclose Scope 3 emissions, identify the categories of upstream or downstream activities that have been included in the calculation of the Scope 3 emissions. If any category of Scope 3 emissions is significant to the registrant, identify all such categories and provide Scope 3 emissions data separately for them, together with the registrant's total Scope 3 emissions. **(2)** If required to disclose Scope 3 emissions, describe the data sources used to calculate the registrant's Scope 3 emissions, including the use of any of the following: **(i)** Emissions reported by parties in the registrant's value chain, and whether such reports were verified by the registrant or a third party, or unverified; **(ii)** Data concerning specific activities, as reported by parties in the registrant's value chain; and	**21** An entity shall disclose information relevant to the cross-industry metric categories of: **(a)** greenhouse gas emissions—the entity shall disclose: **(i)** its absolute gross greenhouse gas emissions generated during the reporting period, measured in accordance with the Greenhouse Gas Protocol Corporate Standard, expressed as metric tonnes of CO2 equivalent, classified as: **(1)** Scope 1 emissions; **(2)** Scope 2 emissions; **(3)** Scope 3 emissions; **(ii)** its greenhouse gas emissions intensity for each scope in paragraph 21(a)(i)(1)–(3), expressed as metric tonnes of CO2 equivalent per unit of physical or economic output; **(iii)** for Scope 1 and Scope 2 emissions disclosed in accordance with paragraph 21(a)(i)(1)–(2), the entity shall disclose emissions separately for: **(1)** the consolidated accounting group (the parent and its subsidiaries); **(2)** associates, joint ventures, unconsolidated subsidiaries or affiliates not included in paragraph 21(a)(iii)(1); **(iv)** the approach it used to include emissions for the entities included in paragraph 21(a)(iii)(2) (for example, the equity share or operational control method in the Greenhouse Gas Protocol Corporate Standard); **(v)** the reason, or reasons, for the entity's choice of approach in paragraph 21(a)(iv) and how that relates to the disclosure objective in paragraph 19; **(vi)** for Scope 3 emissions disclosed in accordance with paragraph 21(a)(i)(3): **(1)** an entity shall include upstream and downstream emissions in its measure of Scope 3 emissions; **(2)** an entity shall disclose the categories included within its measure of Scope 3 emissions, to enable users of general purpose financial reporting to understand which Scope 3 emissions have been included in, or excluded from, those reported; **(3)** when the entity's measure of Scope 3 emissions includes information provided by entities in its value chain, it shall explain the basis for that measurement; **(4)** if the entity excludes those greenhouse gas emissions in paragraph 21(a)(vi)(3), it shall state the reason for omitting them, for example, because it is unable to obtain a faithful measure;

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)	**b) (cont.)** GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios. GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	The vast majority of sectors are covered by the GHG Protocol and thus it should be the common reporting standard; CCLI does not recommend allowing issuers to report to a different standard at this time. However, we do recommend that an issuer should be able to seek permission to augment GHG Protocol disclosure for very specific measures that are material to its reporting of emissions, such as adding timberland investments in carbon accounting, where the issuer provides independent third-party assurance of accuracy and materiality.	referred to in Form 51-107B in its AIF or annual MD&A must use a GHG emissions reporting standard to calculate and report its GHG emissions. ** As an alternative, the CSA is consulting on requiring issuers to disclose Scope 1 GHG emissions either a) when that information is material, or b) in all cases. Under this alternative, disclosure of Scope 2 and Scope 3 GHG emissions would not be mandatory. Issuers would have to disclose either their Scope 2 and 3 GHG emissions and the related risks, or the issuer's reasons for not disclosing this information. **NI 51-107** **1.** "GHG Reporting Standard" means the GHG Protocol, or a reporting	**(iii)** Data derived from economic studies, published databases, government statistics, industry associations, or other third-party sources outside of a registrant's value chain, including industry averages of emissions, activities, or economic data. **(3)** A smaller reporting company, as defined by §§ 229.10(f)(1), 230.405, and 240.12b-2 of this chapter, is exempt from, and need not comply with, the disclosure requirements of this paragraph (c). **(d)** GHG intensity. **(1)** Using the sum of Scope 1 and 2 emissions, disclose GHG intensity in terms of metric tons of CO_2e per unit of total revenue (using the registrant's reporting currency) and per unit of production relevant to the registrant's industry for each fiscal year included in the consolidated financial statements. Disclose the basis for the unit of production used. **(2)** If Scope 3 emissions are otherwise disclosed, separately disclose GHG intensity using Scope 3 emissions only. **(3)** If a registrant has no revenue or unit of production for a fiscal year, it must disclose another financial measure of GHG intensity or another measure of GHG intensity per unit of economic output, as applicable, with an explanation of why the particular measure was used. **(4)** A registrant may also disclose other measures of GHG intensity, in addition to metric tons of CO_2e per unit of total revenue (using the registrant's reporting currency) and per unit of production, if it includes an explanation of why a particular measure was used and why the registrant believes such measure provides useful information to investors. **Section II.G.1.a** While we expect that many registrants would choose to follow the standards and guidance provided by the GHG Protocol when calculating their GHG emissions, the proposed rules would not require registrants to do so. **§ 229.1504 (Item 1504) GHG emissions metrics.** **(e)** *Methodology and related instructions* **(1)** A registrant must describe the methodology, significant inputs, and significant assumptions used to calculate its GHG emissions. The description of the registrant's methodology must include the registrant's organizational boundaries, operational boundaries (including any approach to categorization of emissions and emissions sources), calculation approach (including any emission factors used and the source of the emission factors), and any calculation tools used to calculate the GHG emissions. A registrant's description of its approach to categorization of emissions and emissions sources	

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)			standard for calculating and reporting GHG emissions that is comparable with the GHG Protocol. **Form 51-107B** **4. (b)** Disclose the reporting standard used by the issuer to calculate and disclose the GHG emissions referred to in (a). **(c)** If the reporting standard referred to in (b) is not the GHG Protocol, disclose how the reporting standard used by the issuer is comparable with the GHG Protocol.	should explain how it determined the emissions to include as direct emissions, for the purpose of calculating its Scope 1 emissions, and indirect emissions, for the purpose of calculating its Scope 2 emissions. **(2)** The organizational boundary and any determination of whether a registrant owns or controls a particular source for GHG emissions must be consistent with the scope of entities, operations, assets, and other holdings within its business organization as those included in, and based upon the same set of accounting principles applicable to, the registrant's consolidated financial statements. **(3)** A registrant must use the same organizational boundaries when calculating its Scope 1 emissions and Scope 2 emissions. If required to disclose Scope 3 emissions, a registrant must also apply the same organizational boundaries used when determining its Scopes 1 and 2 emissions as an initial step in identifying the sources of indirect emissions from activities in its value chain over which it lacks ownership and control and which must be included in the calculation of its Scope 3 emissions. Once a registrant has determined its organizational and operational boundaries, a registrant must be consistent in its use of those boundaries when calculating its GHG emissions. **(4)** A registrant may use reasonable estimates when disclosing its GHG emissions as long as it also describes the assumptions underlying, and its reasons for using, the estimates. **(i)** When disclosing its GHG emissions for its most recently completed fiscal year, if actual reported data is not reasonably available, a registrant may use a reasonable estimate of its GHG emissions for its fourth fiscal quarter, together with actual, determined GHG emissions data for the first three fiscal quarters, as long as the registrant promptly discloses in a subsequent filing any material difference between the estimate used and the actual, determined GHG emissions data for the fourth fiscal quarter. **(ii)** In addition to the use of reasonable estimates, a registrant may present its estimated Scope 3 emissions in terms of a range as long as it discloses its reasons for using the range and the underlying assumptions. **(5)** A registrant must disclose, to the extent material and as applicable, any use of third- party data when calculating its GHG emissions, regardless of the particular scope of emissions. When disclosing the use of third-party data, it must identify the source of such data and the process the registrant undertook to obtain and assess such data. **(6)** A registrant must disclose any material change to the methodology or assumptions underlying its GHG emissions disclosure from the previous fiscal year.	

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)				**(7)** A registrant must disclose, to the extent material and as applicable, any gaps in the data required to calculate its GHG emissions. A registrant's GHG emissions disclosure should provide investors with a reasonably complete understanding of the registrant's GHG emissions in each scope of emissions. If a registrant discloses any data gaps encountered when calculating its GHG emissions, it must also discuss whether it used proxy data or another method to address such gaps, and how its accounting for any data gaps has affected the accuracy or completeness of its GHG emissions disclosure. **(8)** When determining whether its Scope 3 emissions are material, and when disclosing those emissions, in addition to emissions from activities in its value chain, a registrant must include GHG emissions from outsourced activities that it previously conducted as part of its own operations, as reflected in the financial statements for the periods covered in the filing. **(9)** If required to disclose Scope 3 emissions, when calculating those emissions, if there was any significant overlap in the categories of activities producing the Scope 3 emissions, a registrant must describe the overlap, how it accounted for the overlap, and the effect on its disclosed total Scope 3 emissions.	

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)	**c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.** Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate- related metric categories in Table A2.1 (p. 79), where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy. In describing their targets, organizations should consider including the following: – whether the target is absolute or intensity based; – time frames over which the target applies; – base year from which progress is measured; and – key performance indicators used to assess progress against targets. Organizations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.	CCLI supports a requirement for issuers to describe the targets used by the issuer to manage climate-related risks and opportunities and the issuer's performance against these targets.	**FORM 51-107B** **3. (b)** Describe the targets used by the issuer to manage climate-related risks and opportunities and the issuer's performance against these targets.	**§ 229.1506 (Item 1506) Targets and goals.** **(a)(1)** A registrant must provide disclosure pursuant to this section if it has set any targets or goals related to the reduction of GHG emissions, or any other climate-related target or goal (e.g., regarding energy usage, water usage, conservation or ecosystem restoration, or revenues from low-carbon products) such as actual or anticipated regulatory requirements, market constraints, or other goals established by a climate-related treaty, law, regulation, policy, or organization. **(2)** A registrant may provide the disclosure required by this section as part of its disclosure in response to § 229.1502 or § 229.1503. **(b)** If the registrant has set climate-related targets or goals, disclose the targets or goals, including, as applicable, a description of: **(1)** The scope of activities and emissions included in the target; **(2)** The unit of measurement, including whether the target is absolute or intensity based; **(3)** The defined time horizon by which the target is intended to be achieved, and whether the time horizon is consistent with one or more goals established by a climate-related treaty, law, regulation, policy, or organization; **(4)** The defined baseline time period and baseline emissions against which progress will be tracked with a consistent base year set for multiple targets; **(5)** Any interim targets set by the registrant; and **(6)** How the registrant intends to meet its climate-related targets or goals. For example, for a target or goal regarding net GHG emissions reduction, the discussion could include a strategy to increase energy efficiency, transition to lower carbon products, purchase carbon offsets or RECs, or engage in carbon removal and carbon storage. **(c)** Disclose relevant data to indicate whether the registrant is making progress toward meeting the target or goal and how such progress has been achieved. A registrant must update this disclosure each fiscal year by describing the actions taken during the year to achieve its targets or goals. **(d)** If carbon offsets or RECs have been used as part of a registrant's plan to achieve climate-related targets or goals, disclose the amount of carbon reduction represented by the offsets or the amount of generated renewable energy represented by the RECS, the source of the offsets or RECs, a description and location of the underlying projects, any registries or other authentication of the offsets or RECs, and the cost of the offsets or RECs.	**23** An entity shall disclose its climate-related targets. For each climate-related target, an entity shall disclose: **(a)** metrics used to assess progress towards reaching the target and achieving its strategic goals; **(b)** the specific target the entity has set for addressing climate-related risks and opportunities; **(c)** whether this target is an absolute target or an intensity target; **(d)** the objective of the target (for example, mitigation, adaptation or conformance with sector or science-based initiatives); **(e)** how the target compares with those created in the latest international agreement on climate change and whether it has been validated by a third party; **(f)** whether the target was derived using a sectoral decarbonisation approach; **(g)** the period over which the target applies; **(h)** the base period from which progress is measured; and **(i)** any milestones or interim targets.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)	**APPLICATION OF RECOMMENDATIONS (Section A.3(b))** The disclosures related to the Metrics and Targets recommendations involve an assessment of materiality, with the exception of Scope 1 and Scope 2 GHG emissions. The Task Force believes all organizations should disclose absolute Scope 1 and Scope 2 GHG emissions independent of a materiality assessment. The disclosure of Scope 3 GHG emissions is subject to materiality; however, the Task Force encourages organizations to disclose such emissions.	Issuers should be required to disclose TCFD-recommended metrics & targets, irrespective of materiality, and include in the disclosure an analysis of whether each element is material. Create a time-limited safe harbour for disclosure of current metrics and methodologies for measuring emissions.	**COMPANION POLICY 51-107CP** **2. (3)** Disclosure under the headings "Strategy" and "Metrics and targets" is only required where such information is material. Information is likely material if a reasonable investor's decision whether to buy, sell or hold securities in an issuer would likely be influenced or changed if the information in question was omitted or misstated.	**Section II.I** If a registrant has set climate-related targets or goals, the proposed rules would require it to disclose them, including, as applicable, a description of the scope of activities and emissions included in the target; the unit of measurement, including whether the target is absolute or intensity based; the defined time horizon by which the target is intended to be achieved, and whether the time horizon is consistent with one or more goals established by a climate-related treaty, law, regulation, policy, or organization; the defined baseline time period and baseline emissions against which progress will be tracked with a consistent base year set for multiple targets; any interim targets set by the registrant; and how the registrant intends to meet its climate-related targets or goals. [No indication that disclosure is subject to a materiality assessment.] **§ 210.14-02 Climate-related metrics.** **(b)** Disclosure of the financial impact on a line item in the registrant's consolidated financial statements is not required if the sum of the absolute values of all the impacts on the line item is less than one percent of the total line item for the relevant fiscal year. **Sections II.C.3-4, II.E.2, II.G.3, and II.I** While we are not proposing a broad safe harbor for all climate-related disclosures, we are proposing a targeted safe harbor for Scope 3 emissions data in light of the unique challenges associated with this information. The proposed safe harbor would provide that disclosure of Scope 3 emissions by or on behalf of the registrant would be deemed not to be a fraudulent statement unless it is shown that such statement was made without a reasonable basis or was disclosed other than in good faith. To the extent that other proposed climate-related disclosures constitute forward- looking statements, the forward-looking statement safe harbors pursuant to the Private Securities Litigation Reform Act ("PSLRA") would apply, assuming the conditions specified in those safe harbor provisions are met. PSLRA forward-looking safe harbors would apply to much of the disclosure concerning scenario analysis, internal carbon pricing, transition plans, and information regarding a registrant's climate-related targets or goals. **§ 229.1504 (Item 1504) GHG emissions metrics.** **(f)** Liability for Scope 3 emissions disclosures. **(1)** A statement within the coverage of paragraph (f)(2) of this section that is made by or on behalf of a registrant is deemed not to be a fraudulent statement (as defined in paragraph (f)(3) of this section), unless it is shown that such statement was	**Appendix B** **B5** The objective of this Standard is to require entities to provide material information about their exposure to climate-related risks and opportunities that is useful to users of general-purpose financial reporting in assessing the entity's enterprise value and making decisions about whether to provide economic resources to the entity. **B6** As described in paragraph B3, the disclosures set out in Appendix B and its related volumes have been identified as those that are likely to be useful to users of general purpose financial reporting in making assessments of an entity's enterprise value. However, the responsibility for making materiality judgements and determinations rests with the reporting entity for all requirements in IFRS Sustainability Disclosure Standards, including this Standard. Therefore, an entity shall disclose information related to a specific requirement when it concludes that the information is material to the users of the information in assessing the enterprise value of the entity.

TCFD Category	TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Metrics and Targets (cont.)				made or reaffirmed without a reasonable basis or was disclosed other than in good faith. **(2)** This paragraph (f) applies to any statement regarding Scope 3 emissions that is disclosed pursuant to §§ 229.1500 through 229.1506 and made in a document filed with the Commission. **(3)** For the purpose of this paragraph (f), the term fraudulent statement shall mean a statement that is an untrue statement of material fact, a statement false or misleading with respect to any material fact, an omission to state a material fact necessary to make a statement not misleading, or that constitutes the employment of a manipulative, deceptive, or fraudulent device, contrivance, scheme, transaction, act, practice, course of business, or an artifice to defraud as those terms are used in the Securities Act of 1933 or the Securities Exchange Act of 1934 or the rules or regulations promulgated thereunder.	

Administrative Guidance

TCFD Recommendations	CCLI Recommendation	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
APPLICATION OF RECOMMENDATIONS (Section A.3(c)) Preparers of climate-related financial disclosures should provide such disclosures in their mainstream (i.e., public) annual financial filings. Organizations have more than one billion U.S. dollar equivalent (USDE) in annual revenue should consider disclosing information related to the Strategy and Metrics and Targets recommendations in other reports when the information is not deemed material and not included in financial filings. Other reports include official company reports that are issued at least annually, widely distributed and available to investors and others, and subject to internal governance processes that are the same or substantially similar to those used for financial reporting.	Embed climate-related disclosure in annual financial reporting documents.	**NI 51-107** **3. (1)** If management of a reporting issuer solicits a proxy from a security holder of the issuer for the purpose of electing directors to the reporting issuer's board of directors, the issuer must include in its management information circular the disclosure referred to in Form 51-107A. **(2)** A reporting issuer that does not send a management information circular to its security holders must include the disclosure referred to in Form 51-107A in its AIF, or if it does not file an AIF, in its annual MD&A. **4. (1)** A reporting issuer must include the disclosure referred to in Form 51-107B in its AIF, or if it does not file an AIF, in its annual MD&A. **(2)** A reporting issuer that includes the disclosure of GHG emissions referred to in Form 51-107B in its AIF or annual MD&A must use a GHG emissions reporting standard to calculate and report its GHG emissions. **Form 51-107B** **Instructions (3)** An issuer may incorporate information required to be disclosed under Item 4 by reference to another document. The issuer must clearly identify the reference document or any excerpt of it that the issuer incorporates into the disclosure provided under Item 4. Unless the issuer has already filed the reference document or excerpt under its SEDAR profile, the issuer must file it at the same time as it files the document containing the disclosure required under this Form.	**Section VII** **(18)** Amend Form 10-K to include the following item under Part II: "Provide the disclosure required by Subpart 1500 of Regulation S-K (17 CFR 229.1500 through 229.1507) in a part of the annual report that is separately captioned as Climate-Related Disclosure. Pursuant to Rule 12b-23 (17 CFR 240.12b-23) and General Instruction G of this form, a registrant may incorporate by reference disclosure from other parts of the registration statement or annual report (e.g., Risk Factors, Business, Management's Discussion and Analysis, or the financial statements) into the Climate-Related Disclosure item if it is responsive to the topics specified in Item 1500 through 1507 of Regulation S-K."	**Introduction** These requirements are designed to enable users of general purpose financial reporting to assess entities' exposure to and management of climate-related risks and opportunities, across markets, to facilitate capital allocation and stewardship decisions.

Additional Information

CCLI Recommendations	CSA, Proposed NI 51-107 Disclosure of Climate-Related Matters	SEC, Proposed Rules on the Enhancement and Standardization of Climate-Related Disclosures for Investors	ISSB, Exposure Draft IFRS S2 Climate-Related Disclosures
Mandatory TCFD-aligned disclosure is critically important.	**COMPANION POLICY 51-107CP** **2. (1)** The disclosure requirements of the Instrument are set out in Form 51-107A and Form 51-107B and, subject to certain modifications, are consistent with the recommendations (the "TCFD recommendations") developed by the Task Force on Climate-related Financial Disclosures (the "TCFD") and published in their report entitled Recommendations of the Task Force on Climate-related Financial Disclosures dated June 2017 (the "TCFD Final Report"). Notably, the Instrument does not require issuers to disclose a scenario analysis, which is the TCFD recommended disclosure that describes the resilience of an issuer's strategy, taking into consideration different climate-related scenarios. In addition, issuers may elect to not provide the TCFD recommended disclosure respecting greenhouse gas ("GHG") emissions and their related risks, provided they instead disclose their reasons for not including this disclosure.	**Section II.A.1** We have modeled the proposed disclosure rules in part on the TCFD disclosure framework. Building on the TCFD framework should enable companies to leverage the framework with which many investors and issuers are already familiar, which should help to mitigate both the compliance burden for issuers and any burdens faced by investors in analyzing and comparing the new proposed disclosures.	**Introduction** The prototype and the Exposure Draft include the recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and components of the frameworks and standards of international sustainability bodies, as published in a prototype of a climate-related financial disclosure standard in December 2020.
Venture issuers should be required to disclose governance and risk management one year after NI 51-107 comes into force. Then require venture issuers to disclose strategy, metrics and targets two years later. It is important to include venture issuers in the new climate-related disclosure requirements of the proposed instrument. (No exemptions other than timing)	**NI 51-107** **6. (2)** This Instrument applies: **(a)** in the case of a reporting issuer other than a venture issuer, in respect of each financial year beginning on or after [January 1 of the first year after [●]; **(b)** in the case of a venture issuer, in respect of each financial year beginning on or after [January 1 of the third year after [●].	**Section VI.D** While small entities would not be exempt from the full scope of the proposed amendments, they would be exempt from the Scope 3 emissions disclosure requirements, which would likely impose the greatest compliance burden for registrants due to the complexity of data gathering, calculation, and assessment required for that type of emissions. Small entities would also have a longer transition period to comply with the proposed rules than other registrants. **Large Accelerated Filer** - Fiscal Year 2023 (FY 2024 for Scope 3 emissions) **Accelerated Filer and Non-Accelerated Filer** - Fiscal Year 2024 (FY 2025 for Scope 3 emissions) **Smaller Reporting Companies** - Fiscal Year 2025 (Exempted for Scope 3 emissions)	N/A
Align prospectus disclosure with the climate-related continuous disclosure requirements.	CSA consulted on this issue	**Section VIII – Part 239 – Forms Prescribed Under the Securities Act of 1933** **(9-12)** Amend Forms S-1, S-11, S-4, and F-4 to include the following item under Part I - Information Required in a Prospectus: "Information required by Subpart 1500 of Regulation S-K (17 CFR 229.1500 through 229.1507), in a part of the registration statement that is separately captioned as Climate-Related Disclosure. A registrant may incorporate by reference disclosure from other parts of the registration statement."	N/A