

# I V E Y foundation

**To:** The Secretary of the Ontario Securities Commission  
Ontario Securities Commission  
20 Queen Street West  
22nd Floor, Box 55  
Toronto, Ontario M5H 3S8  
**Via Email:** [comment@osc.gov.on.ca](mailto:comment@osc.gov.on.ca)

**From:** Ivey Foundation  
**Contact:** Bruce Lourie, President and Andrea Moffat, Vice President ([amoffat@ivey.org](mailto:amoffat@ivey.org))

**Date:** February 4, 2022

**Re: Request for Comment on Proposed National Instrument 51-107 Climate-related Financial Matters**

---

Dear Secretary,

We appreciate the opportunity to provide comments on the proposed *National Instrument 51-107 Disclosure of Climate-related Matters*.

The Ivey Foundation is an asset owner and private charitable foundation focused on contributing to the well-being of Canadians for over seventy years. The primary focus of the foundation is the Economy and Environment Program through which the Foundation supports new thinking around innovative approaches to policy and practice that advance the pathways for Canada's transition to net-zero. We collaborate with multiple stakeholders including governments, business, the financial sector, academia, civil society and other experts, as part of our work on these dynamic system changes. In addition, to the Foundation's granting practices we have been activating our portfolio to focus on environmental solutions and have first-hand experience with the lack of consistent, comparable and meaningful climate-related financial information.

We are submitting our comments based on our expertise and knowledge of climate change, energy transition, sustainable finance and disclosure. We welcome the CSA's recognition that climate-related risks have become a mainstream business issue, and the importance to institutional investors and other stakeholders on the need for improved disclosure on issuer governance processes and the risks, opportunities, and financial impacts of climate change. We also know that you are aware of the risks to Canadian issuers of not keeping pace with the global trend of requiring high quality climate-related financial disclosures that are aligned with the recommendations of the Task Force for Climate-related Financial Disclosure (TCFD). National Instrument 51-107 has a critical role to play in ensuring the Canadian marketplace is attractive for investment as the Canadian and global economy transitions to net-zero.

We are focusing our comments on the notable absence from the proposed NI 51-107 on a requirement to disclose net-zero transition plans.

Disclosure of an issuer's net-zero transition plans are of primary interest due to the systemic risk climate change poses to both issuers and investors. It is through detailed transition plans, including how a company intends to deliver on its net-zero (by 2050) and interim (by 2030, 2035, etc.) commitments and targets that an investor can understand and evaluate the credibility of the plan and measure progress over time. This is decision-critical information that needs to be provided in a credible, consistent, and comparable manner. It is also the direction that is being set globally, with over 3,000 companies committing to net-zero targets and plans alongside 120 countries as part of COP 26 in November 2021. Ensuring that 51-107 includes disclosure of how these net-zero commitments will be implemented through detailed transition plans is critical for the credibility of Canadian issuers and for the competitiveness of the economy.

There are several resources produced by the TCFD and the International Sustainability Standards Board (ISSB) that can be referenced to support the development of net-zero transition plans. In October 2021, the TCFD issued an updated version of [Annex: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures](#) that supersedes the 2017 version which is referenced in this consultation. The TCFD recommends that issuers adopt science-based transition plans, and provides guidance offering accessible, clear factors to consider in disclosing interim targets and how progress is being measured against these targets. The TCFD recommends that issuers in countries that have made a net-zero commitments such as Canada, describe their plans for transitioning in alignment with these commitments. It recommends that organizations should report their initial transition plans, significant updates to the plans, and progress against their transition plans annually, comparing actions year over year. The UK government has moved forward with this approach which is described in the UK Treasury [Greening Finance: A Roadmap to Sustainable Investing](#), and the UK Financial Conduct Authority (FCA) has also incorporated the TCFD's new guidance on transition plans in its requirements.

The International Sustainability Standards Board (ISSB) [Climate-related Disclosure Prototype](#), includes the disclosure of a transition plan aligned with the TCFD recommendations. The details of this requirement include disclosure of the impact of significant climate-related risks and opportunities on the organization's business, strategy and financial planning.

We recommend that the proposed NI 51-107 instrument require net-zero transition plans aligned with the TCFD recommendations and those of the ISSB going forward, as this is fundamental for meeting the goals of improving access to global capital, assisting investors in making more informed investment decisions, and removing the costs and reducing market fragmentation associated with navigating multiple disclosure frameworks.

We appreciate the CSA's proposal and efforts to require climate-related financial disclosure and expect the consultation process to enhance this effort and ensure alignment with Canadian and international expectations on net-zero transition.