



Canadian Investor  
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[CIRI.org](http://CIRI.org)

June 17, 2022

Vanessa A. Countryman  
Secretary  
Securities and  
Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090  
[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Dear Ms. Countryman,

**Re: *File Number S7-10-22 - The Enhancement and Standardization of  
Climate-Related Disclosures for Investors***

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI membership represents approximately 200 non-investment fund reporting issuers with a combined market capitalization of \$3.1 trillion. More information about CIRI is provided in Appendix A.

**General Comments**

CIRI appreciates the opportunity to review and provide its comments on the Securities and Exchange Commission's (SEC) proposed rule: *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (File Number S7-10-22). CIRI takes the position that climate change is an important issue and that the capital markets are well served when issuers provide disclosure of the material risks and opportunities associated with climate change. We are in agreement with the objectives of the SEC to provide investors with "consistent, comparable, and reliable information that enables investors to both assess accurately the potential impacts of climate-related risks on the nature of a registrant's business" as well as the objective of disclosing how the Board and executive management of an issuer are appropriately assessing and addressing the impact of those material risks and opportunities.

**Canadian Requirements and Standards**

CIRI would like to point out that some issuers in Canada, namely regulated emitters that meet or exceed a defined threshold, are subject to regulatory requirements at both the federal and provincial levels, requiring them to follow nationally established protocols to annually quantify and report Scope 1 greenhouse gas (GHG) emissions. In addition, these regulated emitters may voluntarily report Scope 2 GHG emissions disclosures annually.



Recently, the Canadian Securities Administrators' (CSA) proposed National Instrument 51-107 *Disclosure of Climate-related Matters*, which has the objective of improving the comparability and consistency of issuers' disclosure. This proposed Instrument is designed to allow investors to make more informed investment decisions by enhancing climate-related disclosures through a harmonized framework. Furthermore, while providing benefit for investors, the Instrument will also aid issuers by aligning capital markets in Canada with evolving global standards. To that end, the proposed Instrument from the CSA is largely consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

It should also be noted that more and more reporting issuers in Canada are working diligently to align their climate-related disclosure and reporting information with many well recognized voluntary frameworks such as the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP), Sustainable Accounting Standards Board (SASB) and TCFD. A number of these frameworks are being incorporated into the standards proposed by the International Sustainability Standards Board (ISSB).

Ideally, the SEC and CSA align their reporting requirements with global standards, such as those being proposed by ISSB, to further support consistency and comparability of data.

Regardless of which standards are adopted, consideration should be given to the timing of reporting. Since it takes at least three months to gather and verify GHG data, it is impossible for issuers to have this information available for year-end reporting. In light of this, consideration should be given to a different reporting period for GHG emissions than that for financials (i.e. 12 months ended Q3).

### Responses to Specific Questions

CIRI has a position with regard to the following question in the proposed rule:

*181. We have not proposed to amend Form 40-F, the Exchange Act form used by a Canadian issuer eligible to report under the Multijurisdictional Disclosure System ("MJDS") to register securities or to file its annual report under the Exchange Act, to include the proposed climate-related disclosure requirements. Should we require a Form 40-F issuer to comply with the Commission's proposed climate-related disclosure requirements? Should we permit a MJDS issuer to comply with Canadian climate-related disclosure requirements instead of the proposed rules if they meet certain conditions or provide certain additional disclosures and, if so, which conditions or disclosures?*

As a result of the above stated *Canadian Requirements and Standards* for the capital markets regarding climate-related disclosure, CIRI believes that subjecting Canadian reporting issuers that are dual-listed in Canada and the U.S. under the Multijurisdictional Disclosure System (MJDS) to the proposed SEC rule is inappropriate. The benefits, if any, of providing potentially repetitive disclosure to investors in Canada and the U.S. would appear to be minimal although onerous and costly to issuers.

Therefore, CIRI recommends that the SEC maintain its initial position relative to question 181: "We have not proposed to amend Form 40-F, the Exchange Act form used by a Canadian issuer eligible to report under the Multijurisdictional Disclosure System (MJDS) to register securities or to file its annual report under the Exchange Act, to include the proposed climate-related disclosure requirements." We further believe that our position on Question 181 meets the objectives of the SEC as well as the CSA proposals for implementing a rule that adequately serves the needs of investors for standardized, comprehensive and comparable disclosure of the risks and opportunities associated with climate change.



CIRI appreciates the opportunity to provide comments on the Proposed Rule and commends the efforts of the SEC to protect the environment and investors.

Sincerely yours,  
Yvette

Yvette Lokker  
President & Chief Executive Officer  
Canadian Investor Relations Institute



## Appendix A

### **The Canadian Investor Relations Institute**

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

### **Investor Relations Defined**

*Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications, marketing, securities law compliance and sustainability to achieve an effective flow of information between a company, the investment community and other stakeholders, in order to support an informed valuation of the company's securities and enable fair and efficient capital markets.*

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include: Human Resource and Corporate Governance; Audit; Membership; and Issues.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is close to 500 professionals serving as corporate investor relations officers in approximately 200 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of shareholders in capital markets beyond North America. The President and CEO of CIRI has been a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.