

## Statement of Support to SEC Climate Change Disclosures Regulation

June 11, 2021

E-Mail: rule-comments@sec.gov

Re: Comments on SEC's Climate Disclosures

Dear Chair Gensler,

We are writing on behalf of Canada's 10 largest pension plan investment managers, representing over \$1.9 trillion in assets under management, in response to the Securities and Exchange Commission's (SEC's) request for public input on climate-related financial disclosures, issued by Acting Chair Allison Herren Lee, on March 15, 2021.

We are committed to creating more sustainable and inclusive growth by integrating environmental, social and governance (ESG) factors into our strategies and investment decisions. By doing so, we will unlock opportunities and mitigate risks, supporting our mandates to deliver long-term risk-adjusted returns.

To do so, we require companies to measure and disclose their performance in relation to climate risks and opportunities on material, industry-relevant ESG factors. The complex nature of investing today requires financially relevant, transparent, consistent and widely applicable decision-useful metrics that can be compared across companies. We recommend moving beyond a principles-based approach, by leveraging the Task Force on Climate-related Financial Disclosures (TCFD) framework and the work of the Value Reporting Foundation\*—including the Sustainability Accounting Standards Board's (SASB's) standards—to standardize ESG-related reporting. The SASB standards focus broadly on industry-relevant sustainability reporting, and the TCFD framework calls for climate-specific disclosures across several reporting pillars (governance, strategy, risk management, and metrics and targets). Both are necessary to provide consistent data reporting to investors and are informative to companies working to frame their ESG reporting.

Our ability to deliver on our mandates requires increased transparency from companies to disclose their material business risks and opportunities to financial markets, and to consistently provide financially relevant, comparable and decision-useful information. The timely development of disclosure guidance is critical, considering the potential material financial risks and long-term implications of climate change-related risks.

We would like to emphasize that it is vital that companies report relevant ESG data in a standardized way in order for the data to be useful and relevant to investors and fiduciaries. The Value Reporting Foundation and the SASB's standards focus on financially material sustainability risks and opportunities, including climate change. We encourage their vision for a comprehensive corporate reporting system, building on existing frameworks and standards.

We commend the SEC for offering this opportunity to contribute to this important dialogue.

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*\*The Value Reporting Foundation is the result of the merger between the IIRC and the SASB.*



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