



July 29, 2021

Dear IFRS Trustees,

Re: IFRS Consultation on Constitutional Amendments

Alberta Investment Management Corporation (AIMCo) welcomes this opportunity to provide commentary to the International Financial Reporting Standards (IFRS) proposed amendments to the Foundation’s Constitution to accommodate the potential formation and operation of the ISSB (herein after ‘the Consultation.’)

AIMCo is a Crown Corporation that invests \$119 billion on behalf of 32 clients, including Albertan pension plans, an endowment fund, and government funds. AIMCo is an active participant in global equity markets and regularly advocates for environmental, social and governance (ESG) best practices at companies across our portfolios. AIMCo supports the IFRS’ mandate to develop a single set of high-quality accounting standards, fostering transparency, accountability, and efficiency to financial markets around the world.

AIMCo supports recent announcements to create an International Sustainability Standards Board (ISSB) to standardize climate related and ESG reporting across the fragmented and busy ESG data disclosure landscape. Our responses are as follows:

Q1: Do you agree that the amendments proportionately reflect the Trustees’ strategic direction, considering in particular: (a) the proposed amendments to the objectives of the Foundation, outlined in the proposed new section 2b of the Constitution, as set out in Appendix A; and (b) the proposed amendments to reflect the structure and function of the new board, outlined in the proposed new sections 43–56 of the Constitution, as set out in Appendix A?

AIMCo agrees with the proposed amendments to the objectives of the foundation, having the IASB responsible for the development of global accepted financial reporting standards, and the ISSB responsible for the development of globally accepted, principles based, sustainability reporting standards. Additionally, given the urgency of climate change - a systemic risk – we are supportive of the development of the standards initially focused on climate-related reporting, subsequently moving to include other ESG related information.

Q2. On the potential naming of the new board and its associated standards, do you agree that ‘the International Sustainability Standards Board (ISSB)’ setting ‘IFRS sustainability standards’ accurately describes the function of the new board and its associated standards?

We support maintaining the IFRS name, as it capitalizes on the work done to date by the foundation to create globally recognized reporting standards. The name International Sustainability Standards Board (ISSB) is appropriate. However, there is a subtle but important distinction to be made between setting sustainability reporting standards and setting sustainability performance standards. To the extent that the reference to setting ‘IFRS sustainability standards’ refers to the setting of IFRS sustainability reporting standards, while



encouraging business activities to meet a sustainability performance standard, it may be viewed as accurately reflecting the objective and direction of the new board and its associated standards.

Q3. Do you agree with this proposed consequential amendment, outlined in proposed new sections 60 and 61 of the Constitution, as set out in Appendix A?

AIMCo is supportive the proposed amendments in sections 60 and 61 to stipulate that the Executive Director of the Foundation be appointed by the Trustees, in consultation with the chairs of the IASB and ISSB. This joint appointment will ensure that the IASB and ISSB have equal consideration and voice in appointing the leadership of the Foundation.

Q4. Are there any other matters you would like to raise in relation to the proposed targeted amendments to the Constitution?

AIMCo supports the IFRS amendments and efforts to create an ISSB and lead the development of sustainability standards. We appreciate the international structure of the proposed board, with representation from Asia-Oceania, the Americas, Africa, and Europe. Each region will offer various perspectives on the sustainability reporting journey, which will serve to accelerate international adoption of a single standard. It will be important to ensure that the SSB has qualified sustainability experts driving this work. We recommend that sustainability expertise be considered amongst the relevant skill sets necessary for the effective functioning of the International Sustainability Standards Board.

We trust our answers are helpful to the IFRS. Please feel free to contact us should you have any questions.

Sincerely,

[Original signed by Amit Prakash]

Amit Prakash
Chief Investment Strategy Officer

[Original signed by Alison Schneider]

Alison Schneider
Vice President, Responsible Investment