



CIRI's Responses to CSSB Survey

May 8, 2024



Respondent No: 21

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- Q1. **Responses are made public on the website once the document is closed for comment unless you request that your response be private. Do you wish to:** Make public
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- Q2. **What is your name?** Erica Belling
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- Q3. **Are you interested in future collaboration with CSSB? If so, please leave your contact information.**
Yes. erica_belling@rogers.com or erica.belling@cibc.com
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- Q4. **Are you responding on behalf of an organization or a member of the public?** **An organization. What is the name of your organization?**
The Canadian Investor Relations Institute (CIRI) is a not-for-profit professional association of executives responsible for communication between listed corporations, investors and the financial community. Our approximately 500 members in CIRI chapters across Canada serve as corporate investor relations officers, consultants to issuers or service providers. CIRI's website is www.ciri.org
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- Q5. **If responding as a member of the public, what is your relationship to sustainability disclosures? If you are responding on behalf of an organization, in which industry does it operate? If more than one option applies, please select the option that most closely reflects the perspective you're providing.** Preparer of sustainability disclosures
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- Q6. **If responding as a member of the public, what industry do you work in? If responding on behalf of an organization, in which industry does it operate?** Professional Organization
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- Q7. **If responding as a member of the public, what type of organization do you work for? If responding on behalf of an organization, what type of organization is it?** Professional member association
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- Q8. **If responding as a member of the public, what is the size of the organization you work for? If responding on behalf of an organization, what is the size of the organization?** Medium (100-499 employees)
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- Q9. **If responding as a member of the public, what is your province of residence? If responding on behalf of an organization, in what province is your organization headquartered?** Ontario
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<p>Q10. If responding as a member of the public, do you identify as an Indigenous person? If responding on behalf of an organization, is your organization Indigenous-owned and/or led? (An Indigenous-led organization refers to a group, institution, or entity that is primarily governed, operated, and led by Indigenous people or communities)</p>	No
<p>Q11. If you identify as an Indigenous person, please specify your Indigenous Identity.</p>	not answered
<p>Q12. Would you like to respond to one or more questions from the Exposure Draft, Proposed CSDS 1, General Requirements for Disclosure of Sustainability-related Financial Information?</p>	Yes
<p>Q13. Scope of proposed CSDS 1 (proposed paragraphs 1-4 of CSDS 1) Apart from effective date and transition relief, CSDS 1 proposes to adopt IFRS S1 without amendment. The objective of proposed CSDS 1 is to require an entity to disclose information about its sustainability-related risks and opportunities. The proposed standard is based upon the fundamental principle that an entity's ability to generate cash flows over the short, medium, and long terms is inextricably linked to the entity's interactions with society, the economy, the natural environment, and other parties that it may impact. Proposed CSDS 1 includes: definitions and information required to prepare a complete set of sustainability disclosures; and a standard for sustainability-related disclosures. Accordingly, the CSSB proposes that CSDS 1 and CSDS 2, once finalized, become effective on the same date; however, the Board proposes extending the one-year transition relief within IFRS S1 to two years for disclosures beyond climate-related risks and opportunities. To learn about the factors the CSSB considered in establishing its position, you can refer to question 1 of proposed CSDS 1. Do you agree that the two-year transition relief for disclosures beyond climate-related risks and opportunities is adequate?</p>	Yes
<p>Q14. Please provide your reasons for your response to the previous question.</p>	<p>Issuers have seen drafts of proposed disclosures and have known standards were coming.</p>

Q15. If you do not agree that the two-year transition relief is adequate, what transition relief do you believe is required?

Please provide your reasons.

not answered

Q16. Timing of reporting (proposed paragraphs 64-69 of CSDS 1) No

Aligning the timing of sustainability-related financial disclosures and the related financial statements improves connectivity and ensures decision-useful information for users of general-purpose financial reports. Although Canadian respondents to the ISSB's IFRS S1 Exposure Draft expressed broad support for an integrated reporting approach, they noted challenges in aligning timing of reporting sustainability disclosures with the related financial statements. While the CSSB acknowledges the benefits that integration in reporting provides to users and the long-term benefits it offers to preparers, the Board also recognizes the challenges that preparers face. The Board deliberated on various amendments to address these challenges, including deferring the alignment in timing of reporting requirement for a period of time. However, the Board recognizes that this period may not provide enough time for preparers to fully resolve the issues. On the other hand, deleting the requirement could hinder progress in the sustainability disclosures landscape. For fuller context on this topic, you can refer to question 2 of proposed CSDS 1. Is any further relief or accommodation needed to align the timing of reporting?

Q17. If you responded 'Yes' to the previous question, please specify the nature of the relief or accommodation and provide the rationale behind it.

not answered

Q18. How critical is it for users that entities provide Somewhat critical

their sustainability-related financial disclosures at the same time as its related financial statement?

Q19. Please provide your reasons for your response to the previous question.

"Somewhat critical" as stakeholders beyond investors are reading the sustainability disclosures. Also some sustainability info/data is not available until after the financial statements are published. This info/data would either need to be excluded or estimated*, if it is material. Better to wait to publish the sustainability disclosure until all financially material info/data is available which maybe a few months later. *This may need to be restated in the next fiscal year if the actual data is materially different from the estimate.

Q20. **Other Issues** Do you agree that the requirements in the 'Scope' section are appropriate for application in Canada? Yes

Q21. **Please provide your reasons for your response to the previous question.**

These items are all relevant in Canadian markets.

Q22. Do you agree that the requirements in the 'Conceptual Foundations' section are appropriate for application in Canada? Yes

Q23. **Please provide your reasons for your response to the previous question.**

These items are all relevant in Canadian markets.

Q24. Do you agree that the requirements in the 'Core Content' section are appropriate for application in Canada? Yes

Q25. **Please provide your reasons for your response to the previous question.**

These items are all relevant in Canadian markets.

Q26. Do you agree that the requirements in the 'General Requirements' section are appropriate for application in Canada? Yes

Q27. **Please provide your reasons for your response to the previous question.**

These items are all relevant in Canadian markets.

Q28. Do you agree that the requirements in the 'Judgements, Uncertainties, and Errors' section are appropriate for application in Canada? Yes

Q29. **Please explain the rationale for your response to the previous question.**

These items are all relevant in Canadian markets.

Q30. Do you agree that the requirements in 'Appendices A-E' are appropriate for application in Canada? Yes

Q31. **Please explain the rationale for your response to the previous question.**

These items are all relevant in Canadian markets.

Q32. Would you like to respond to one or more questions from the Exposure Draft, Proposed CSDS 2, Climate-related Disclosures? Yes

Q33. **Climate resilience (proposed paragraph 22 of CSDS 2)**The CSSB supports the global baseline requirements on climate resilience. However, it acknowledges that scenario-analysis methodologies are new for Canadian reporting entities, who have concerns about the level of resources, skills and capacity required to prepare these disclosures. Although IFRS S2 does not include transition relief, the Board seeks views on whether transition relief and/or guidance would help preparers and users of proposed CSDS 2-related disclosure in their assessment of climate resilience. For fuller context on this topic, you can refer to question 1 of proposed CSDS 2. **Is transition relief required for climate resilience disclosure?**

Yes

Q34. **If you responded 'Yes' to the previous question, please specify for how long and explain why.**

Canadian issuers need more time while scenario analysis is being refined. Right now scenario analysis criteria for climate resilience are contradictory - i.e. show how diversity of scenarios were examined which is contradictory to demonstrating scenarios were chosen that align with risk probability. Need at least one year extension or re-consider scenario analysis

Q35. **Is further guidance necessary?**

Yes

Q36. **If you responded 'Yes' to the previous question, please specify the specific elements that require guidance and explain why.**

Further guidance on scenario analysis is necessary, i.e. What are the specific scenarios under consideration and what elements must be included in an assessment of risks and opportunities, who should carry it out, how should it receive third party assurance, etc.

Q37. **Proposed CSDS 2 references the Task Force on Climate-related Financial Disclosures' "Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities" (2017) and its "Guidance on Scenario Analysis for Non-Financial Companies" (2020) for related application guidance. What additional guidance would an entity applying the standard require? Please be specific.**

What are the elements of a full assessment of risks and opportunities? Examples and case studies would be helpful.

Q38. **Scope 3 GHG emissions (proposed paragraph C4 of CSDS 2)** Scope 3 GHG emissions information is critical for investors to understand an entity's exposure to climate-related risks and opportunities within its value chain. Preparers have raised concerns about the measurement uncertainty of Scope 3 GHG emissions, along with challenges related to processes and capacity to deliver disclosures concurrently with general-purpose financial reports. While acknowledging these concerns, the CSSB endeavours to balance this feedback with the realities of the urgent need to address climate-related risks. Given these considerations, this Exposure Draft provides additional transition relief by proposing that in the first two annual reporting periods in which an entity applies the proposed standard, the entity is not required to disclose its Scope 3 GHG emissions. For fuller context on this topic, you can refer to question 2 of proposed CSDS 2. Is the proposed relief of up to two years after the entity applies proposed CSDS 2 adequate for an entity to develop skills, processes, and the required capacity to report its Scope 3 GHG emissions disclosures at the same time as the general-purpose financial reports?

Yes

Q39. **Please explain the rationale for your response to the previous question.**

2 year extension is adequate if Scope 3 reporting for all parties, including regulators, uses the same methodology and data is available within the reporting deadline.

Q40. **If you do not agree that two-year transition relief is sufficient, what relief period do you believe is required? Please provide your rationale for the timing you have provided.**

not answered

Q41. **Other Issues** Do you agree that the requirements in the 'Objective' section are appropriate for application in Canada?

Yes

Q42. **Please explain the rationale for your response to the previous question.**

These items are all relevant in Canadian markets.

Q43. **Do you agree that the requirements in the 'Scope' section are appropriate for application in Canada?**

Yes

Q44. **Please explain the rationale for your response to the previous question.**

These items are all relevant in Canadian markets.

Q45. Do you agree that the requirements in the 'Core Content' section are appropriate for application in Canada? Yes

Q46. Please explain the rationale for your response to the previous question.

These items are all relevant in Canadian markets.

Q47. Do you agree that the requirements in 'Appendices A-C' are appropriate for application in Canada? Yes

Q48. Please explain the rationale for your response to the previous question.

These items are all relevant in Canadian markets.

Q49. Would you like to respond to one or more questions from the CSSB Consultation Paper, Proposed Criteria for Modification Framework? Yes

Q50. The CSSB's proposed Criteria for Modification Framework presents the basis on which the CSSB could introduce changes to the IFRS Sustainability Disclosure Standards as issued by the ISSB. These criteria ensure that Canadian standards align with international standards while addressing Canadian public interest. For fuller context on this topic, you can refer to question 1 and 2 of proposed Criteria for Modification Framework. Do you agree with the CSSB's proposed criteria to assess modifications, namely additions, deletions, and amendments to the ISSB's global baseline standards? Yes

Q51. Please provide reasons for your response to the previous question.

These items are all relevant in Canadian markets.

Q52. Are there other criteria that the CSSB should consider including in its proposed Criteria for Modification Framework? No

Q53. If you responded 'Yes' to the previous question, please explain what criteria and provide the rationale behind it.

not answered
