

The Secretary
Ontario Securities Commission
20 Queen Street West, 19th Floor, Box 55
Toronto, ON M5H 3S8

January 17th, 2022
Submitted via electronic email

Re: Consultation, Climate-related Disclosure Update and CSA Notice and Request for Comment Proposed National Instrument 51-107 Disclosure of Climate-related Matters

Dear:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Thank you for the opportunity to comment on the *Consultation, Climate-related Disclosure Update and CSA Notice and Request for Comment Proposed National Instrument 51-107 Disclosure of Climate-related Matters*.

The Real Property Association of Canada ("REALPAC") is Canada's senior-most voice for Canada's commercial investment real estate industry. Our members include the largest publicly traded real estate companies and real estate investment trusts (REITs) in Canada.

As an industry we strive to provide useful, consistent, and transparent information to our investors and other users and respond to their changing needs. As such, we support the goal to improve disclosures across all industries and provide quality information to investors and other financial measures users.

We agree that the focus on climate-related issues in Canada and internationally has grown rapidly in recent years and recognize the need for public issuers to provide investors with material information on climate-related matters.

Our comments on specific areas are as follows.

Using the Task Force Climate-related Financial Disclosures ("TCFD") as the framework for climate reporting

We agree that TCFD is the appropriate framework to use for climate reporting. This is supported by statements and actions by the Canadian federal government to move towards reporting under

TCFD. This is also consistent with reporting guidance that is emerging in other jurisdictions outside of Canada.

Scope 1, 2 and 3 Greenhouse Gas (“GHG”) Emissions

We agree with the approach of requiring issuers to disclose Scope 1 GHG emissions. We believe these disclosures provide important information that users now require.

At this time, we disagree with the “comply or explain” approach for all of Scope 1, 2, and 3 GHG emissions. While we strive to develop an industry approach where we can disclose Scope 1, 2, and 3 GHG emissions in the future, only a few of the largest entities will be able to meet these requirements within the proposed timelines. Scope 2 emissions are often outside of owners’ operational control (retail, industrial, apartments without submetering), or the data is difficult to organize (e.g., deep lake water cooling, district steam heat). Scope 3 is a new frontier for many of our members, particularly embedded carbon data in buildings.

If a comply or explain approach is implemented, we suggest this should only apply to Scope 1 and 2 GHG emissions. A requirement to disclose Scope 3 GHG emissions is currently not feasible for many of our members and will take several years to implement. Many are hiring staff and consultants to develop the processes to collect and report this information. However, complications exist in setting boundaries and collecting data for these emissions. For many companies within the real estate industry, collecting data on Scope 3 emissions is challenging, as (in many cases) tenants only provide information on their energy use on a voluntary basis. This is further exacerbated by the lack of a formal, standardized methodology for reporting on Scope 3 GHG emissions within the industry.

As a result, almost all companies will not be able to report on Scope 3 GHG emissions and will have to “explain” why they do not comply. This approach is consistent with the GHG Protocol whereby Scope 3 is an optional reporting category. We encourage the CSA to develop a final law with which most companies are able to comply, and therefore recommend that it does not include the requirement to report on Scope 3 GHG emissions.

Scenario Analysis

We agree with the CSA that reporting issuers should not be required to provide a scenario analysis. Similar to our comments in relation to Scope 3 GHG emissions, there is a lack of consistency in an approach and methodology for developing disclosures for scenario analysis.

We thank the CSA for the opportunity to provide our input on the *Consultation, Climate-related Disclosure Update and CSA Notice and Request for Comment Proposed National Instrument 51-107 Disclosure of Climate-related Matters*. If you would like to discuss our comments, please contact Nancy Anderson, REALPAC’s Vice President Financial Reporting and Chief Financial Officer, at 416-642-2700 x226.

Respectfully submitted,
Nancy Anderson
Vice President, Financial Reporting and Chief Financial Officer, REALPAC