February 16th, 2022

Canadian Securities Administrators
Tour de la Bourse
2010-800, Square Victoria
Montréal (QC) H4Z 1J2

To the Canadian Securities Administrators,

Enclosed you will find our consultation responses regarding the proposed National Instrument 51-107 Disclosure of Climate-related Matters.

WSP Global Inc. (hereinafter "**WSP**") is an issuer that discloses in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). Further, we are a provider of climate-change advisory services and have advised dozens of companies and investors on TCFD disclosure, climate scenario analysis, and calculation of Scope 1, 2, and 3 greenhouse gas ("**GHG**") emission inventories. We are happy to use our experience as an issuer and as an advisor to provide insights in response to your consultation questions.

Please do not hesitate to contact us if you have any further questions related to our response.

Yours sincerely,

[redacted]

André-Martin Bouchard
Global Executive Director ESG
Global Director Earth & Environment

AMB/af

CC: Sophie Cousineau, Vice-President, ESG and Corporate Affairs
Philippe Fortier, Chief Legal Officer and Corporate Secretary

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Please find WSP responses to each question, in red below.

Experience with TCFD recommendations

1. *For reporting issuers that have provided climate-related disclosures voluntarily in accordance with the TCFD recommendations, what has been the experience generally in providing those disclosures?*

The process of developing WSP's TCFD-aligned reporting has been a positive experience. It has helped us understand our climate-related risks and opportunities to a greater extent and helped inform and educate those in the company on climate-related risk and opportunity.

WSP believes that the TCFD disclosures are the most effective mechanism for companies to communicate climate-related risks and opportunities since they were designed to produce consistent, comparable, and decision-useful information on a company's climate-related risks, opportunities, and management of climate risks and opportunities.

Moreover, the TCFD's 2021 Status Report highlighted rapid year over year increases in the number of TCFD supporters, the volume of TCFD-aligned reporting, and the market coverage of TCFD reporting. The TCFD is becoming the global framework for climate-related disclosure, and full alignment with the TCFD recommendations is becoming mandatory for listed entities in jurisdictions such as the UK and the EU.

In WSP's 2020 ESG Report (and subsequent CDP Reporting), we developed disclosures in alignment with the recommendations of the TCFD. TCFD disclosure is a journey, and we believe our TCFD-aligned reporting will grow and evolve over time.

Disclosure of GHG emissions and scenario analysis

2. *For reporting issuers, do you currently disclose GHG emissions on a voluntary basis? If so, are the GHG emissions calculated in accordance with the GHG Protocol?*

Yes, WSP discloses Scope 1, 2, and 3 emissions for our global operations on a voluntary basis. We disclose in accordance with the GHG protocol. We have been disclosing our emissions since 2015.

3. *For reporting issuers, do you currently conduct climate scenario analysis (regardless of whether the analysis is disclosed)? If so, what are the benefits and challenges with preparing and/or disclosing the analysis?*

As noted in question 1, we disclose in full alignment with the recommendations of the TCFD, which requires us to conduct climate scenario analysis. The details of our climate scenario analysis were disclosed in our 2020 Global ESG Report.

Our scenario analysis was qualitative; we have not yet determined the financial impact of climate change under the disclosed approach, although we are planning to conduct a quantitative analysis. We chose a qualitative approach as it represents an effective method to initially determine the risks and opportunities using a forward-looking, analytical approach.

The process of conducting our qualitative analysis helped us further understand the risks and opportunities as articulated in our 2021 ESG report. For example, scenario analysis helped us understand the top sources of our physical risks, which helped us assess or capacity to adapt and mitigate those risks. Our scenario analysis gave us a holistic picture of our risk and resilience, which we continue to analyze and to improve. We have begun conducting a financially quantitative climate scenario analysis, to understand the potential impacts of climate change under plausible climate scenarios.

4. *Under the Proposed Instrument, scenario analysis would not be required. Is this approach appropriate? Should the Proposed Instrument require this disclosure? Should issuers have the option to not provide this disclosure and explain why they have not done so?*

We find scenario analysis is an effective method to determine climate-related risks and opportunities using an informed, forward-looking approach. We would encourage the CSA to consider making climate scenario analysis a requirement.

A qualitative analysis produces a narrative into the risks as high/medium/low, and it generally requires less effort to produce. A financially quantitative analysis provides estimates for potential impact of climate change to financial metrics (revenue, operating and capital costs, assets, liabilities) under plausible climate scenarios

In our experience, as stated above, scenario analysis is a useful exercise in understanding organizational risk, resilience, and opportunity. Should the CSA envision making scenario analysis mandatory, we would suggest offering the option of undertaking either a qualitative or a financially quantitative scenario analysis. We, however, recognize that scenario analysis is a technically challenging and resource-intensive exercise. For additional flexibility, companies that have not completed a scenario analysis could be permitted to provide a roadmap for when they plan to be conducted, and not be required to complete the analysis when they are first required to disclose climate-related information.

In our experience a qualitative analysis helps build greater organizational awareness for climate risks and opportunities, which can create greater interest and organizational buy-in for a financially quantitative climate analysis.

5. *The TCFD recommendations contemplate disclosure of GHG emissions, where such information is material.*
    - *The Proposed Instrument contemplates issuers having the option to disclose GHG emissions or explain why they have not done so. Is this approach appropriate?*
    - *As an alternative, the CSA is consulting on requiring issuers to disclose Scope 1 GHG emissions. Is this approach appropriate? Should disclosure of Scope 1 GHG emissions only be required where such information is material?*
    - *Should disclosure of Scope 2 GHG emissions and Scope 3 GHG emissions be mandatory?*
    - *For those issuers who are already required to report GHG emissions under existing federal or provincial legislation, would the requirement in the Proposed Instrument to include GHG emissions in the issuer's AIF or annual MD&A (if an issuer elects to disclose these emissions) present a timing challenge given the respective filing deadlines? If so, what is the best way to address this timing challenge?*

In our experience, the disclosure of consistent GHG emissions inventories among issuers provides better information to the market on climate risk in the spirit of the TCFD recommendations. WSP suggests that GHG emission be a mandatory reporting obligation, and we suggest that reporting issuers be required to report on GHG emissions in line with the GHG Protocol. We suggest that the proposed instrument require Scope 1 and 2 emissions, with Scope 3 disclosure recommended, but optional.

We believe that where companies already have large Scope 1 GHG emissions, they may already be required to report them in other regulatory formats. As such, we believe that only reporting on Scope 1 GHG emissions would not provide a clearer picture to the market.

Scope 2 emissions are under a company's control. Hence, we believe that measuring Scope 2 emissions will encourage companies to further find ways to reduce emissions and reduce carbon-related risks.

There may be data availability issues with this request. We would suggest giving some flexibility to issuers by allowing them to reference their AIF or annual MD&A.

6. *The Proposed Instrument contemplates that issuers that provide GHG disclosures would be required to use a GHG emissions reporting standard in measuring their GHG emissions, being the GHG Protocol or a reporting standard comparable with the GHG Protocol (as described in the Proposed Policy). Further, where an issuer uses a reporting standard that is not the GHG Protocol, it would be required to disclose how the reporting standard used is comparable with the GHG Protocol.*
    - *As issuers have the option of providing GHG disclosures, should a specific reporting standard, such as the GHG Protocol, be mandated when such disclosures are provided?*
    - *Is the GHG Protocol appropriate for all reporting issuers? Should issuers be given the flexibility to use alternative reporting standards that are comparable with the GHG Protocol?*
    - *Are there other reporting standards that address the disclosure needs of users or the different circumstances of issuers across multiple industries and should they be specifically identified as suitable methodologies?*

In our opinion, to ensure consistency and comparability across disclosed issuer GHG inventories, issuers should be required to disclose in alignment with a specific reporting standard. GHG Protocol and ISO 14064 are two standards which are consistent.

In some instances, issuers may have valid reasons to use an alternative reporting standard that is more adapted to their business. In such cases, we would suggest providing for some flexibility while requiring issuers to disclose the reasons for choosing an alternative reporting standard.

7. *The Proposed Instrument does not require the GHG emissions to be audited. Should there be a requirement for some form of assurance on GHG emissions reporting?*

In our opinion, auditing of GHG emissions promotes consistency, transparency, and comparability of GHG disclosures. We suggest that issuers should not be required to obtain assurance over emission calculations immediately after implementation of the Proposed Instrument. Assurance should only be required after a reasonable transition period after the Proposed Instrument come in force. Alternatively, auditing could be required only for companies whose emissions exceed a pre-defined threshold.

8. *The Proposed Instrument permits an issuer to incorporate GHG disclosure by reference to another document. Is this appropriate? Should this be expanded to include other disclosure requirements of the Proposed Instrument?*

In our opinion, permitting reference to GHG disclosure in another publicly available document should be acceptable. Reference to another document can help reduce the reporting burden and resolve issues where financial reporting cycles and emission calculation cycles do not perfectly align. Therefore, and as stated in question 5, we believe incorporation by reference would provide some flexibility to issuers, which would be welcomed.

Usefulness and benefits of disclosures contemplated by the Proposed Instrument

9. *What climate-related information is most important for investors' investment and voting decisions? How is this information incorporated into these decisions? Is there additional information that investors require?*

As an issuer, we are not in a position to answer this question on behalf of investors. However, based on our experience, and further to discussions we have had with some of our investors, we understand that the most important *climate-related* disclosure is with respect to company's risks, resilience, and opportunities, and the actions the company is taking to seize opportunities and manage risks.

In our experience, this data and understanding are developed through forward-looking assessment of physical and transition risks and opportunities, with the most robust understanding obtained using a (qualitative or quantitative) scenario analysis. In addition, investors typically inquire about our GHG emissions (Scope 1, 2, and 3), and how we plan to reduce them.

10. *What are the anticipated benefits associated with providing the disclosures contemplated by the Proposed Instrument? How would the Proposed Instrument enhance the current level of climate-related disclosures provided by reporting issuers in Canada?*

The Proposed Instrument would increase the volume of TCFD-related disclosure, and perhaps increase the value of this type of disclosure for investors through greater transparency and comparability between companies. Mandatory disclosure may also help individual issuers, as it could provide them with a greater ability to (i) compare their disclosure to that of their peers; and (ii) minimize climate risks by integrating climate considerations into, for example, vendor due diligence.

Costs and challenges of disclosures contemplated by the Proposed Instrument

11. *What are the anticipated costs and challenges associated with providing the disclosures contemplated by the Proposed Instrument?*

In our experience, developing TCFD-aligned disclosures does require meaningful costs to complete. However, our experience has been that the cost of developing a TCFD report is not prohibitive and that the process of preparing the report (including conducting scenario analysis and calculating our Scope 1, 2, and 3 GHG emissions) creates added value through a greater understanding of our risks, resilience, and opportunities, and that the value that it creates for us outweighs the costs.

12. *Do the costs and challenges vary among the four core TCFD recommendations related to governance, strategy, risk management, and metrics and targets? For example, are some of the disclosures more (or less) challenging to prepare?*

The cost associated with providing the disclosures contemplated by the Proposed Instrument depends on what is in place already. None of the required disclosures are difficult to provide if relevant practices are already in place.

Actions taken to implement the recommendations will require effort, but that is the intention of this disclosure framework and how it encourages effective risk management. We believe that the "Strategy" pillar is typically the most effort to implement, as the Strategy pillar includes scenario analysis (although, as noted above, scenario analysis is an inherently useful exercise), and resilience.

13. *The costs of obtaining and presenting new disclosures may be proportionally greater for venture issuers that may have scarce resources. Would more accommodations for venture issuers be needed? If so, what accommodations would address these concerns while still balancing the reasonable information needs of investors? Alternatively, should venture issuers be exempted from some or all of the requirements of the Proposed Instrument?*

We suggest that the allowed depth and length of TCFD recommendations can be a function of whether a company is a standard issuer or a venture issuer. The CSA could provide some flexibility for venture issuers (and other less mature companies) and allow them to provide a roadmap for when they expect TCFD alignment will be achieved. We believe that such roadmap should indicate full compliance within 5 years of when they are first required to disclose.

Guidance on disclosure requirements

14. *We have provided guidance in the Proposed Policy on the disclosure required by the Proposed Instrument. Are there any other tools, guidance or data sources that would be helpful in preparing these disclosures that the Proposed Policy should refer to?*

We suggest that instrument reference the TCFD Knowledge Hub, as it consolidates all relevant global resources. https://www.tcfdhub.org/

15. *Does the guidance set out in the Proposed Policy sufficiently explain the interaction of the risk disclosure requirement in the Proposed Instrument with the existing risk disclosure requirements in NI 51-102?*

Further guidance on the interaction of the risk disclosure requirement in the Proposed Instrument with the existing risk disclosure requirements in NI 51-102 would be welcome.

Prospectus Disclosure

16. *Form 41-101F1 Information Required in a Prospectus does not contain the climate-related disclosure requirements contemplated by the Proposed Instrument. Should an issuer be required to include the disclosure required by the Proposed Instrument in a long form prospectus? If so, at what point during the phased-in implementation of the Proposed Instrument should these disclosure requirements apply in the context of a long form prospectus?*

WSP chooses not to respond to this question.

Phased-in implementation

17. *The Proposed Instrument contemplates a phased-in transition of the disclosure requirements, with non-venture issuers subject to a one-year transition phase and venture issuers subject to a three-year transition phase. Assuming the Proposed Instrument comes into force December 31, 2022 and the issuer has a December 31 year-end, these disclosures would be included in annual filings due in 2024 and 2026 for non-venture issuers and venture issuers, respectively.*
    - *Would the transition provisions in the Proposed Instrument provide reporting issuers with sufficient time to review the Proposed Instrument and prepare and file the required disclosures?*
    - *Does the phased-in implementation based on non-venture or venture status address the concerns, if any, regarding the challenges and costs associated with providing the disclosures contemplated by the Proposed Instrument, particularly for venture issuers? If not, how could these concerns be addressed?*

From our own perspective, this timeline would not create concerns. As noted above, some companies may need to indicate a roadmap or a plan for enhanced TCFD disclosure.

Future ESG considerations

18. *In its comment letter to the IFRS Foundation's consultation paper published in September 2020, the CSA stated that developing a global set of sustainability reporting standards for climate-related information is an appropriate starting point, with broader environmental factors and other sustainability topics to be considered in the future. What broader sustainability or ESG topics should be prioritized for the future?*

We would suggest closely adhering to standards and frameworks developed by the International Sustainability Standards Board (ISSB). The ISSB was created by the IFRS Foundation, to deliver a comprehensive global baseline of sustainability-related disclosure standards to provide consistent and comparable information on companies' sustainability risks and opportunities for the global community. By aligning sustainability standards in Canada with international standards developed by the ISSB, Canadian issuers with operations in multiple countries will not be confronted with different disclosure regimes.