

**PROPOSED
NATIONAL INSTRUMENT 51-107
DISCLOSURE OF CLIMATE-RELATED MATTERS**

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**PART 1
DEFINITIONS AND INTERPRETATION**

Definitions

1. In this Instrument

“AIF” has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

“asset-backed security” has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

“designated foreign issuer” has the meaning ascribed to it in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“GHG” means greenhouse gas;

“GHG emissions reporting standard” means the GHG Protocol, or a reporting standard for calculating and reporting GHG emissions that is comparable with the GHG Protocol;

“GHG Protocol” means the greenhouse gas reporting standards for calculating and reporting GHG emissions by companies and organizations as developed by the World Resources Institute and World Business Council for Sustainable Development;

“marketplace” has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

“MD&A” has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

“Scope 1” means all direct GHG emissions by an issuer;

“Scope 2” means all indirect GHG emissions arising from an issuer’s consumption of purchased electricity, heat or steam;

“Scope 3” means all other indirect GHG emissions of an issuer, other than those described in the definition of Scope 2;

“SEC foreign issuer” has the meaning ascribed to it in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“subsidiary entity” has the meaning ascribed to it in National Instrument 52-110 *Audit Committees*;

“U.S. marketplace” has the meaning ascribed to it in National Instrument 51-102 *Continuous Disclosure Obligations*;

“venture issuer” has the meaning ascribed to it in National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Application

2. This Instrument applies to a reporting issuer other than a reporting issuer that is any of the following:
 - (a) an investment fund;
 - (b) an issuer of an asset-backed security;
 - (c) a designated foreign issuer or SEC foreign issuer;
 - (d) an exchangeable security issuer that is exempt under section 13.3 of National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (e) a credit support issuer that is exempt under section 13.4 of National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (f) an issuer that is a subsidiary entity, if
 - (i) the subsidiary entity does not have equity securities, other than non-convertible, non-participating preferred securities, trading on a marketplace, and
 - (ii) the parent of the subsidiary entity is
 - (A) subject to the requirements of this Instrument, or

- (B) an issuer that has securities listed or quoted on a U.S. marketplace, and is in compliance with the corporate governance disclosure requirements of that U.S. marketplace.

PART 2 DISCLOSURE REQUIREMENTS

Climate-related Governance Disclosure Requirements

3. (1) If management of a reporting issuer solicits a proxy from a security holder of the issuer for the purpose of electing directors to the reporting issuer's board of directors, the issuer must include in its management information circular the disclosure referred to in Form 51-107A.
- (2) A reporting issuer that does not send a management information circular to its security holders must include the disclosure referred to in Form 51-107A in its AIF, or if it does not file an AIF, in its annual MD&A.

Climate-related Strategy, Risk Management and Metrics and Targets Disclosure Requirements

4. (1) A reporting issuer must include the disclosure referred to in Form 51-107B in its AIF, or if it does not file an AIF, in its annual MD&A.
- (2) A reporting issuer that includes the disclosure of GHG emissions referred to in Form 51-107B in its AIF or annual MD&A must use a GHG emissions reporting standard to calculate and report its GHG emissions.

PART 3 EXEMPTION AND EFFECTIVE DATE

Exemption

5. (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions*, opposite the name of the local jurisdiction.

Effective Date and Transition

6. (1) This Instrument comes into force on [●].
- (2) This Instrument applies:
- (a) in the case of a reporting issuer other than a venture issuer, in respect of each financial year beginning on or after [January 1 of the first year after [●]];

- (b) in the case of a venture issuer, in respect of each financial year beginning on or after [January 1 of the third year after [●]].