

# Declaration of Institutional Investors on Climate-Related Financial Risks

A call from the financial services industry for more disclosure to better manage the impact of climate change  
Document signed by 31 institutions representing approximately CAD \$1.2 trillion in assets under management with support in principle from 14 organizations

We, the signatory financial institutions of this declaration, hereby call on publicly traded companies in Canada to commit to disclose more information on their exposure to climate change risks and the measures they adopt to manage these risks. This information is essential to allow investors to better assess the non-financial risks to which investment portfolios are exposed; design investment strategies adapted to new climate realities; and make financial decisions supported by these analyses.

Currently, active investors in the Canadian market have insufficient data regarding the potential exposure of investees to climate change. Without adequate disclosure of climate change risks, any assessment of the resilience of a company's business model or the impact on its assets cannot be properly integrated into investment theses. This is not an ideal situation, and a change is needed. In a growing number of regions around the world, we have noted an evolution in public companies' disclosure practices, characterized by greater transparency regarding the risks posed by climate change, greenhouse gas (GHG) emissions and environmental performance.

Disclosure frameworks for climate change risks have been adopted by various regulatory authorities and are being proposed by various international organizations. As institutional investors, we call on publicly traded companies in Canada to adopt a rigorous disclosure framework that ensures transparency of climate change risks. The Task Force on Climate-Related Financial Disclosure (TCFD) is one example of the effort put forth by the international community to develop a consistent and meaningful framework for disclosing financial data related to climate change, with a view of helping financial institutions measure and manage these risks.

The financial services industry has an important role to play in efforts to tackle climate change. With this declaration, we wish to show our support for the global efforts to build an economy that is more

respectful of the environment, and to facilitate a sustainable and low-emission economic development model. In order to better mitigate the potential effects of this threat on long-term financial returns for our members, beneficiaries, clients and other stakeholders, we believe that concerted action to reduce GHG emissions and ensure a smooth energy transition is needed.

## What Financial Institutions Can Do to Tackle Climate Change

While respecting our fiduciary responsibilities, we, the undersigned financial institutions, commit to:

- Encourage Canadian public companies to adopt a financial disclosure framework on their exposure to climate change risks
- Increase our capacity to measure climate change risks and opportunities for our investment and financing portfolios, and integrate them into our decision-making processes, as appropriate
- Identify and assess investment opportunities that are low in emissions or that promote the energy transition, and which meet our criteria, comply with our investment policies and help achieve our risk-adjusted performance objectives
- Collaborate with investee companies to support them in managing their climate risks

We must all do our part to grow the global economy in a sustainable manner while reducing climate impacts. Better transparency in disclosing relevant, quality information related to climate change is an important element to achieving this goal.

## Signatories

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Caisse de dépôt et placement du Québec

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ERAFP

**ethos**

Ethos Foundation

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FÉRIQUE Fund Management

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Fonds de solidarité FTQ

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Formula Growth Limited

**Hexavest**

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GLOBAL INVESTMENT MANAGEMENT

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**La Capitale**  
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MD Financial Management  
CMA Companies

MD Financial Management

**NEI**  
INVESTMENTS

NEI Investments

**PSP**  
INVESTMENTS

PSP Investments

**CPEQ**

Quebec Business Council on the Environment

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Régime de retraite de l'Université de Montréal

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for RESEARCH & EDUCATION

Shareholder Association for Research & Education

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