

Companies focused on long-term value must embrace new disclosure framework

As CEOs of Canada's largest pension plan investment managers, representing more than \$2 trillion in assets under management, we are mandated to deliver long-term risk-adjusted returns that help support retirement and benefit security for millions of people. In 2020, many of our organizations spoke about the importance of companies and investment partners placing long-term sustainability of their business at the centre of their strategic planning, operations, and reporting. We believe that integrating material sustainability-related factors into our strategies and investment decisions is an integral part of the duty that many of us owe to our clients, contributors and beneficiaries. Understanding these factors helps us individually work to unlock opportunities and mitigate risks.

To achieve this, we need companies to be transparent. This is why we are coming together today to encourage the companies in which we invest and those seeking our capital to leverage the recently introduced International Sustainability Standards Board (ISSB) disclosure framework. How companies identify and address issues such as diversity and inclusion, human capital, board effectiveness and climate change can significantly contribute to value creation or erosion. Companies have an obligation to disclose their material business risks and opportunities to their investors and, in our view, should provide financially relevant, comparable, and decision-useful information.

Companies face a myriad of disclosure frameworks and requests, which we recognize impose costs and burdens. The new ISSB standards help to address that challenge by consolidating existing disclosure standards, a highly constructive development. These include the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework. We believe widespread adoption of this new global baseline will spur companies to more closely examine and manage activities that are having an increasingly material impact on long-term value creation.

For our part, we will continue to strive to strengthen our own sustainability disclosures and allocate capital to businesses best placed to preserve and create value over the long run. We ask corporate leaders to embrace the increased transparency we need to make investment decisions that will deliver a better future for us all.



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