



BACKGROUND

CICA and Climate Change Reporting

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An increasing amount of attention is being paid to the financial reporting aspects associated with climate change. The CICA has been active in this field for many years and our depth of knowledge is recognized and valued.

Since, 2005, the CICA has been communicating that existing securities regulations call for disclosure of material climate-change related information in the Management's Discussion and Analysis (MD&A) filing, a narrative report that must accompany quarterly and annual filings of financial statements. Other guidance has been provided as well.

- In 2005, the CICA issued a discussion brief ***MD&A Disclosure About the Financial Impact of Climate Change and Other Environmental Issues***
- A publication titled ***Executive Briefing: Climate Change and Related Disclosures*** followed in March 2008
- In late 2008, the CICA issued ***Building a Better MD&A: Climate Change Disclosures***
- In July 2009, the CICA drew directors' attention to their responsibilities for review and approval of material climate-change related disclosures in a publication titled ***Climate Change Briefing: Questions for Directors to Ask***

Internationally, the CICA's leadership on the issue of corporate disclosure of material climate-change related information was recognized in the May 2009 exposure draft of the Climate Disclosure Standards Board (CDSB) which referred extensively to the CICA's 2008 guidance on MD&A disclosures regarding climate change. CDSB is working to develop a globally accepted framework, based on existing standards, for corporate reporting on climate change.

The CICA also has produced a number of articles on the topic. Some articles were targeted at CA professional publications – including the cover page article for the December 2009 edition of



CAMagazine titled ***The Business of Climate Change***. Also in December, a CICA commentary on climate change appeared in the National Post – one of Canada’s two national newspapers.

In addition to its guidance documents and articles, the CICA has communicated with its members about the issue through presentations at the CICA’s Financial Reporting and Accounting Conference and presentations to members of the Institute of Chartered Accountants of British Columbia and the Institute of Chartered Accountants of Alberta. The CICA has reached out to other professionals, highlighting the climate-change related disclosure responsibilities with presentations to the institutional investor community (RiskMetrics), investor relations community (Canadian Investor Relations Institute), and the banking and legal communities.

The CICA has also been active in communicating through meetings with -- and comment letters to -- federal and provincial governments about the implications of any climate-change related legislation and regulations on capital markets and the need for integrity in the system.

The CICA was one of several accounting bodies from around the world to sign an open letter to the political leaders attending the Copenhagen climate change conference. The letter called for a set of universally accepted standards for the disclosure to shareholders of climate change related information connected to financial performance and mainstream financial reporting.