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Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090
USA

Attention: Vanessa A. Countryman

Delivered by email to rule-comments@sec.gov

Dear Sirs and Mesdames:

Re: File Number S7-10-22

TELUS Corporation and TELUS International (Cda) Inc. (collectively "TELUS") are pleased to submit the following brief comments on the Enhancement and Standardization of Climate-Related Disclosures for Investors proposed rule.

TELUS Corporation (TSX: T, NYSE: TU) is a dynamic, world-leading communications technology company with \$17 billion in annual revenue and 17 million customer connections spanning wireless, data, IP, voice, television, entertainment, video, and security. TELUS Corporation is incorporated in British Columbia, Canada, and is a SEC foreign private issuer. TELUS International (Cda) Inc. (TSX & NYSE: TIXT) designs, builds and delivers next-generation digital solutions to enhance the customer experience for global and disruptive brands. TELUS International (Cda) Inc. is incorporated in British Columbia, Canada, and is a SEC foreign private issuer.

TELUS cares for the environment. By actively focus on sustainable solutions across our business, we are helping to build a more sustainable world for future generations. Our investments in leading-edge technology are enabling us to reduce our impact on the environment, switch to renewable energy and digitally transform food production. We are generally supportive of enhanced and standardized climate-related disclosure that would benefit all users of the disclosure, including investors.

We would echo the comments made in numerous other submissions to the proposed rule: given the volume and complexity of the proposed rule, an extended comment period would maximize the sober, multi-disciplinary thought that this proposed rule warrants (extending the comment period by four weeks is insufficient). We have attached following cursory responses to a number of the questions set out in the proposed rule.

We acknowledge that timely action is desirable for climate-related disclosure. We would suggest that further staggering of the implementation dates for certain disclosures is necessary. Generally, we would not suggest deferring the effective date of the qualitative disclosure requirements from that in the proposed rule; however, the financial statement metrics proposed to be set out in a financial statement note requires the clean capture of data points heretofore never before captured (expected that an enterprise resource planning ("ERP") solution may be needed depending upon the final rule), will require the design,

implementation and testing of internal controls over financial reporting for the new data streams and their processes, and the various new assurance challenges arising from possibly incorporating this information in the consolidated financial statements will need to be addressed, thus a currently estimated three-year deferral for the effective date of the financial statement metrics could be both appropriate and necessary.

Sincerely,

TELUS Corporation

TELUS International (Cda) Inc.

/s/ "Trent Klein"

/s/ "David So"

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GENERAL COMMENT

TELUS is supportive of, and continuously strives for, timely, accurate, complete and meaningful corporate financial reporting that aspires to be best-in-class. TELUS currently would be generally supportive of the disclosure objectives of the proposed rule and is supportive of the Securities and Exchange Commission's participation in the ISSB's working group to enhance compatibility between global baseline and jurisdictional initiatives.

Within the proposed rule, TELUS currently believes that there is a scope versus speed trade-off that needs to be addressed. The scope of the proposed rule is ambitiously large and the timeframe for effectiveness (the "speed") is aspirationally short; the needed trade-off being one of reducing scope to achieve speed or increasing the timeframe for effectiveness (decreasing the speed) to achieve the scope. Excepting the financial statement metric disclosures, TELUS currently would generally support the content and timing of the proposed rule (reducing the scope, at least initially, to exclude financial statement metrics would better match the scope with the apparent desired speed).

The scope of the financial statement metric disclosures, however, is broad in the extreme and it would be currently anticipated that the financial statement metric disclosures would not be deliverable in the time frame contemplated in the proposed rule; it could be a multi-year effort to develop the processes necessary to comply with the financial statement metric disclosure requirements set out in the proposed rule and, as well, there is uncertainty about the decision usefulness of the information that would be developed. TELUS currently expects that the cost of such a multi-year effort could be significantly in excess of that which is considered in the proposed rule. Given the assumed anticipated increased cost of complying with the financial statement metric disclosures, TELUS would recommend that appropriate field testing involving both financial statement preparers and users be conducted to ensure there is an unambiguous, fact-based understanding of the costs and benefits of compliance, prior to encumbering registrants with this compliance obligation. In respect of financial statement metric disclosures, TELUS currently would suggest that the scope be permanently restricted to transition activity expenditure metrics as that information currently would be expected to be: 1) more differentiated across registrants and thus more decision useful to reasonable financial statement users; 2) a much smaller data set which currently could be expected to be available in the time frame contemplated in the proposed rule; 3) readily scopeable, or possibly already in scope, for ICFR; and 4) more readily assured.

II.B DISCLOSURE OF CLIMATE-RELATED RISKS

Question 8. Should we require a registrant to disclose any climate-related risks that are reasonably likely to have a material impact on the registrant, including on its business or consolidated financial statements, which may manifest over the short, medium, and long term, as proposed? If so, should we specify a particular time period, or minimum or maximum range of years, for "short," "medium," and "long term?" For example, should we define short term as 1 year, 1-3 years, or 1-5 years? Should we define medium term as 5-10 years, 5-15 years, or 5-20 years? Should we define long-term as 10-20 years, 20-30 years, or 30-50 years? Are there other possible years or ranges of years that we should consider as the definitions of short, medium, and long term? What, if any, are the benefits to leaving those terms undefined? What, if any, are the concerns to leaving those terms undefined? Would the proposed provision requiring a registrant to specify what it means by the short, medium, and long term mitigate any such concerns?

In the normal course, climate-related risks will already be spoken to in the broader disclosure of a registrant's risks to the extent that they are considered material. TELUS does not believe duplication of this disclosure requirement is necessary and that such duplication may cause confusion.

Although from a preparer's perspective, and possibly from a reasonable financial statement user's perspective, there may be some comfort in have "bright line" definitions of short-, medium-, and long-term, these time horizons will mean different things in different

industries. To leave these terms undefined (without “bright line” definitions) would accommodate that these terms do not have universal definitions across all industries.

To set specific time bands, even if somewhat broad, implies a level of precision that is more illusory than reality, particularly at the shorter end of the time continuum (although there may in fact be some climate-related items that do have “bright line” dates assigned to them). As well, registrants may already be using such terms, in contexts other than climate-related risks, and may not be using/defining them in a manner consistent with what is proposed in this question 8. This would necessitate substituting newly-defined terms for those previously used and could negatively impact messaging to reasonable financial statement users. If specific time bands were to be prescribed, either by the rule quantifying or by the rule requiring the registrant to quantify, consideration needs to be given as to what disclosure would be needed of risks moving between the time bands.

Question 9. Should we define “climate-related risks” to mean the actual or potential negative impacts of climate-related conditions and events on a registrant’s consolidated financial statements, business operations, or value chains, as proposed? Should we define climate-related risks to include both physical and transition risks, as proposed? Should we define physical risks to include both acute and chronic risks and define each of those risks, as proposed? Should we define transition risks, as proposed? Are there any aspects of the definitions of climate-related risks, physical risks, acute risks, chronic risks, and transition risks that we should revise? Are there other distinctions among types of climate-related risks that we should use in our definitions? Are there any risks that we should add to the definition of transition risk? How should we address risks that may involve both physical and transition risks?

Generally, the definitions set out in the proposed rule appear reasonable. Of concern though would be if there was a desire to quantify some of the transition risks as there would be significant subjectivity involved in quantifying and differentiating the amounts attributable to each transition risk.

Question 10. We define transition risks to include legal liability, litigation, or reputational risks. Should we provide more examples about these types of risks? Should we require more specific disclosures about how a registrant assesses and manages material legal liability, litigation, or reputational risks that may arise from a registrant’s business operations, climate mitigation efforts, or transition activities?

Additional examples are, and guidance is, always preferred. However, TELUS currently would not suggest that more specific disclosures are required as legal liability, litigation and reputational risks would, in the normal course, be spoken to in the broader disclosure of a registrant’s risks to the extent that they are considered material. Consistent with, and as set out in, the response to question 8, duplication of the disclosure requirement may cause confusion.

Question 11. Some chronic risks might give rise to acute risks, e.g., drought (a chronic risk) that increases acute risks, such as wildfires, or increased temperatures (a chronic risk) that increases acute risks, such as severe storms. Should we require a registrant to discuss how the acute and chronic risks they face may affect one another?

With a view to minimizing “boilerplate” disclosures that may obfuscate information, TELUS currently would not suggest such a requirement be made unless there was an acute-chronic risk dynamic that was very unique to the registrant, within the registrant’s industry; a reasonable financial statement user, by definition, would necessarily already be generally aware of acute-chronic risk dynamics in the industry without referencing the registrant’s disclosures.

II.F.1 FINANCIAL STATEMENT METRICS

Question 52. Should we require a registrant to provide contextual information, including a description of significant inputs and assumptions used, and if applicable, policy decisions made by the registrant to calculate the specified metrics, as proposed? Should we revise the proposed requirement to provide contextual information to require specific information instead? We provide some examples of contextual information disclosure in Sections II.F.2 and II.F.3 below. Would providing additional examples or guidance assist registrants in preparing this disclosure?

Given the issues around the availability of underlying hypothetical and real data, timing of the availability of that data, and the estimates and assumptions that will be necessary to calculate the specified metrics, provision of contextual information would appear necessary to achieving a greater degree of understandability, and possibly comparability across registrants. Given the complexity of compiling the financial statement metrics, it would seem that provision of specific information would not necessarily provide decision-useful information to reasonable financial statement users (but could possibly ease the compliance burden for registrants) – a challenge being that specific pieces of information, in isolation, may not be decision useful for reasonable users of financial statements.

Additional examples are, and guidance is, always preferred.

Question 53. The proposed rules would specify the basis of calculation for the climate-related financial statement metrics. Is it clear how to apply these accounting principles when calculating the proposed climate-related financial statement metrics, or should we provide additional guidance? Should we require a registrant to report these metrics with reference to its consolidated financial statements, as proposed? If not, how should registrants report these metrics? If we were to establish accounting principles (e.g., the basis for reporting these metrics) in a manner that differs from the principles applicable to the rest of the consolidated financial statements, would the application of those principles to the proposed metrics make climate-related disclosures less clear, helpful, or comparable for investors?

Additional examples are, and guidance is, always preferred.

It would appear reasonable to report these metrics with reference to the consolidated financial statements to which they pertain. However, in the “line item” approach to reporting financial statement impacts there is an immediate threat to comparability across registrants in the context of the statement of results of operations as some registrants use “functional” reporting of expenses, some use “by nature” reporting of expenses and some use a blend of the two. It has been noted in accounting standard-setting activities that it would be no small consideration for some entities if they were required to recompile their statement of results of operations on a different basis than their unique status quo. If comparability across registrants is a desired outcome of the proposed rule, the “line item” approach to disclosure of financial statement metrics needs to be replaced, as spoken to further at question 64.

As set out in the response to question 59 following, if the reporting was confined to climate-specific items with regard to climate-related events, it could be expected to bypass the “comparability hurdle” that multiple acceptable forms of statement of results of operations presentation would otherwise pose.

In respect of actual expenditure or impairment (“negative impacts” or “expenditure metrics”), TELUS does not see an immediate need for accounting principles to be established, other than as set out in earlier in the response to this question in respect of lack of comparability across registrants arising from the “line item” approach and as set out in the response to question 79. In the context of “positive impacts” and hypothetical “negative impacts” (the difference between financial impact metrics and financial expenditure metrics), the robust establishment of accounting principles would be critical; given that there is no GAAP for these new financial statement metrics, it would seem a challenge for auditors to “cleanly” assure such disclosures without being able to reference an authoritative framework of accounting principles and it would also be expected to negatively impact comparability

across registrants. The focus of such needed accounting principles should be both recognition and measurement, with a view to mandatorily achieving the financial reporting concept of verifiability (different and knowledgeable and independent observers could reach consensus, although not necessarily unanimity, on what is faithful representation), and should follow normal and appropriate robust due process for accounting standard setting. Also see the response to question 62.

Question 54. Should we also require such metrics to be calculated at a reportable segment level when a registrant has more than one reportable segment (as defined by the FASB ASC Topic 280 Segment Reporting)? In addition, should we require such metrics to be presented by geographic areas that are consistent with the registrant's reporting pursuant to FASB ASC Topic 280-10-50-41? How would investors use such information?

TELUS currently would not support a requirement for such metrics to be calculated at a reportable segment level. Care should be taken so as not to stray from the core underlying principle in respect of segmented disclosures.

Particularly for entities that are required to make allocations amongst operating segments and reportable segments, financial impact metrics could be illusory and thus may not be decision-useful for reasonable financial statement users. As well, it would be expected that the bulk of the financial statement metric disclosures (both "impact" and "expenditure") would be in respect of expenses (including impairments) – such items are not "universally" required disclosures under segmented reporting standards, so it would seem inconsistent to have these financial statement metrics disclosed absent a corresponding expense and/or impairment measure in the segment disclosures.

Question 55. The proposed rules would require disclosure for the registrant's most recently completed fiscal year and for the corresponding historical fiscal years included in the registrant's consolidated financial statements in the filing. Should disclosure of the climate-related financial statement metrics be required for the fiscal years presented in the registrant's financial statements, as proposed? Instead, should we require the financial statement metrics to be calculated only for the most recently completed fiscal year presented in the relevant filing? Would requiring historical disclosure provide important or material information to investors, such as information allowing them to analyze trends? Are there other approaches we should consider?

Aligning the disclosed years of financial statement metrics with those presented in the consolidated financial statements would make practical sense (excepting the period of transition, it would be internally inconsistent to have more/less years in the financial statement metrics note to the financial statements than in the balance of those same financial statements.) Having non-aligned periods would have knock-on complicating effects in the auditor's assurance reporting.

Question 56. Should information for all periods in the consolidated financial statements be required for registrants that are filing an initial registration statement or providing climate-related financial statement metrics disclosure for historical periods prior to the effective date or compliance date of the rules? Would the existing accommodation in Rules 409 and 12b-21 be sufficient to address any potential difficulties in providing the proposed disclosures in such situations?

TELUS currently would not be supportive of requiring information for periods prior to the effective date or compliance date of the proposed rule. There is a significant amount of new data to cleanly capture and to comply with the proposed rule – to require retrospective application will significantly affect the work required to initially comply. Further, in respect of financial impact metrics which are dependent upon hypothetical amounts, it would be difficult to avoid "20/20 hindsight".

Question 57. Should we provide additional guidance as to when a registrant may exclude a historical metric for a fiscal year preceding the current fiscal year?

Additional examples are, and guidance is, always preferred.

Question 58. In several instances, the proposed rules specifically point to existing GAAP and, in this release, we provide guidance with respect to the application of existing GAAP. Are there other existing GAAP requirements that we should reference? Are there instances where it would be preferable to require an approach based on TCFD guidance or some other framework, rather than requiring the application of existing GAAP?

TELUS interprets the references to “existing GAAP” as to the generally accepted accounting principles that are used to prepare a registrant’s financial statements (e.g. International Financial Reporting Standards as issued by the International Accounting Standards Board). To the maximum extent possible, it is fundamental that the financial statement metrics are aligned with the generally accepted accounting principles that are used to prepare a registrant’s financial statements.

II.F.2 FINANCIAL IMPACT METRICS

Question 59. Should we require registrants to disclose the financial impact metrics, as proposed? Would presenting climate-specific financial information on a separate basis based on climate related events (severe weather events and other natural conditions and identified physical risks) and transition activities (including identified transition risks) elicit decision-useful or material information for investors? Are there different metrics that would result in disclosure of more useful information about the impact of climate-related risks and climate-related opportunities on the registrant’s financial performance and position?

TELUS is not supportive of disclosure of financial impact metrics due to the:

- hypothetical nature of many amounts included;
- lack of GAAP for the hypothetical amounts;
- degree of subjectivity involved;
- management bias that may affect the amounts determined;
- challenged verifiability of such disclosure;
- expected lack of comparability across registrants;
- unknown decision usefulness to financial statement users;
- number of new data points that would need to be collected;
- forward-looking nature of some amounts to be disclosed;
- expected imbalance of costs over benefits of such disclosure; and
- assurance challenges that will collectively accompany all those concerns.

Assuming that the final rule includes financial impact metrics, with a view to providing reasonable financial statement users with quantitative financial information sooner, reducing the underlying data set to climate-specific transition activity financial information should warrant serious consideration.

If the financial impact metrics were to remain as broad as proposed, the compliance date should be extended a further three (3) years so as to facilitate the completeness and cleanliness of developing the underlying data; an initial estimate of 24 months for systems design, development and testing would be necessary prior to putting a system solution into production and then completely and cleanly capturing the new data points.

Question 60. Would the impact from climate-related events and transition activities yield decision useful information for investors? Would the climate-related events (including the examples provided) and transition activities result in impacts that are easier to quantify or disaggregate than climate-related risks more generally? Would a registrant be able to quantify and provide the proposed disclosure when the impact may be the result of a mixture of factors (e.g., a factory shutdown due to an employee strike that occurs simultaneously with a severe weather event)? If there are situations where disaggregation would not be practicable, should we require a registrant to disclose that it was unable to make the required determination and why, or to make a reasonable estimate and provide disclosure about the assumptions and information that resulted in the estimate?

Including for the reasons enumerated in the response to question 59, TELUS currently does not believe decision useful information would be the outcome of disclosing financial impact metrics. Particularly so if no robust accounting principles were developed, management bias (conscious or otherwise) of registrants could be manifested as incomparable and unverifiable outcomes (financial statement impacts) from identical underlying data. In that the disclosed financial impact metrics would not be required to be bifurcated into price and quantity effects, important underlying facts and trends may also be masked.

If financial impact metrics were to be disclosed, TELUS currently would be concerned about simplistic financial statement user analysis of those metrics, which may not even be prepared comparably across registrants. If, for example, a financial statement user superficially determined that one of their evaluation criterion was x% of revenue should be the target impact for transition activities, significant and necessary context for the level of impact could be excluded from the evaluation (e.g. differing geographies and associated climates; differing geophysical properties of "commodity" inputs; context/backdrop of historic impacts that affect current impacts; value-for-money of past and present expenditures; climate goals and timelines to achieve those goals).

An approach restricting the underlying data to that of climate-related events and transition activities could be expected to result in impacts that may be easier to quantify and/or disaggregate. However, as drafted the proposed rule would remain difficult to apply, as demonstrated following:

***Price** – Chronic climate risks (as contemplated by the proposed rule), for example, would capture risks associated with the timing and amount of grid electricity generated from hydroelectric dams (e.g. amount of annual snowpack, and timing and rate of annual snowpack melt, would be affected by chronic risks) which, in turn, would affect the unregulated price of electricity paid by registrant-users; the amount of such effect (which would most likely be a new data point to capture), be it positive or negative, would need to be quantified from a completeness perspective when determining financial impact metrics (both for registrant-hydroelectric generators and registrant-users). This would in turn require an assessment (possibly for both registrant-hydroelectric generators and registrant-users) of the impacts on sourcing grid electricity from other generation methods (e.g. natural gas) that would, in turn, have their own financial impact metrics.*

***Quantity** – These same chronic climate risks affecting hydroelectricity generation would also, for example, be associated with changing timing of when cooling/heating degree days are experienced and the total periodic amounts of cooling/heating degree days.*

TELUS currently would not be supportive of expending the considerable effort necessary to determine climate-related financial impact metrics on a comprehensive and complete basis as the decision usefulness of the information could, and in numerous instances should, be negatively impacted by the non-differentiated nature of the information across the spectrum of registrants. Considering the "price" example set out above, and setting aside the effects of any hedging activities (including virtual power purchase agreements ("VPPAs")), all registrant-users on that electrical grid would, or on interconnected grids could, be affected in a non-differentiated manner by the climate-related electricity pricing. Considering the "quantity" example set out above, broadly all registrant-users in a geographic region would be expected to also experience the same non-differentiated climatic conditions. For both of these "price" and "quantity" examples, this could be a very significant amount of data to collect, process and control to achieve completeness of non-differentiated information that could be of limited decision usefulness for a reasonable financial statement user.

Question 61. *Alternatively, should we not require disclosure of the impacts of identified climate related risks and only require disclosure of impacts from severe weather events and other natural conditions? Should we require a registrant to disclose the impact on its consolidated financial statements of only certain examples of severe weather events and other natural conditions? If so, should we specify which severe weather events and other natural*

conditions the registrant must include? Would requiring disclosure of the impact of a smaller subset of climate-related risks be easier for a registrant to quantify without sacrificing information that would be material to investors?

An approach restricting the underlying data to that of impacts of severe weather events and other natural conditions would be expected to result in impacts that may be easier to quantify (subject to the overarching concerns set out in the responses to questions 59 and 60). Due to varying geographies and climactic conditions (as contemplated in question 63), although it would assist in application of the proposed rule, TELUS currently does not believe it could be practical to exhaustively specify which severe weather events or other natural conditions a registrant should include in their financial statement metrics.

Question 62. *Should impact from climate-related opportunities be required, instead of optional, as proposed? We are proposing to require a registrant that elects to disclose the impact of an opportunity to do so consistently (e.g., for each fiscal year presented in the consolidated financial statements, for each financial statement line item, and for all relevant opportunities identified by the registrant). Are there any other requirements that we should include to enhance consistency? Should we only require consistency between the first fiscal period in which opportunities were disclosed and subsequent periods?*

TELUS acknowledges that the TCFD similarly emphasizes both opportunities and risks and that the proposed rule has picked up this theme. However, such quantification disclosure of opportunities as financial statement impacts should not be required and, possibly, should not be permitted. As set out in the response to question 53, and for the reasons enumerated in the response to question 59, quantifying and disclosing “positive impacts” would seem a challenge to auditors to “cleanly” assure such disclosure and it would also be expected to impact comparability across registrants if determined to be optional disclosure. As well, it would not seem unlikely that a reasonable financial statement user would view these “positive impacts” as forward-looking information. To include such forward-looking information in audited financial statements, which are effectively a registrant’s retrospective financial scorecard, would negatively impact the internal coherence of the audited financial statements and would be expected to affect assurance reporting. If quantification disclosure of opportunities as financial statement impacts were to be either required, or simply permitted, the existing safe harbors for forward-looking statements under the Securities Act and Exchange Act would necessarily be needed to be made available for such proposed disclosures.

For some industries, it could be difficult to get a “clean” view of what has driven opportunities that have been manifested as revenues. In the telecommunications industry, increased organic ubiquity of broadband Internet accessibility (either fixed or mobile) has *inter alia* impacted the need for GHG-creating travel by supplanting in-person schooling and in-person business meetings with “virtual classrooms” and “video meetings”. However, for example, societal measures taken to manage the transmission of COVID-19 have also demonstrably impacted this same supplanting. It would be very subjective as to apportion to each opportunity source its relative share of the incremental “opportunity” revenues.

Further, if quantification of “positive impacts” were to be permitted, consideration needs to be given as to how to “roll-off” these opportunities over a period of years – at some point they should become “business as usual” and should thus not be repeated anew.

Question 63. *Is it clear which climate-related events would be covered by “severe weather events and other natural conditions”? If not, should we provide additional guidance or examples about what events would be covered? Should we clarify that what is considered “severe weather” in one region may differ from another region? For example, high levels of rainfall may be considered “severe weather” in a typically arid region.*

It is not clear which climate-related events would be covered by “severe weather events and other natural conditions”.

Additional examples are, and guidance is, always preferred.

Question 64. Are the proposed requirements for calculating and presenting the financial impact metrics clear? Should the analysis be performed and disclosed in a manner other than on a line-by-line basis referring to the line items of the registrant's consolidated financial statements?

As set out in the response to question 53, it would appear reasonable to report these financial impact metrics with reference to the consolidated financial statement line items. However, in doing so, there is an immediate threat to comparability across registrants, in the context of the statement of results of operations, as some registrants use "functional" reporting of expenses, some use "by nature" reporting of expenses and some use a blend of the two reporting presentations. It is no small consideration for an entity to recompile their statement of results of operations on a different basis than their status quo.

If the analysis was performed and disclosed in a manner other than on a line-by-line basis, this could be accretive to consistency and comparability across registrants.

The proposed requirements for calculating the financial impact metrics are insufficiently clear, as set out in the response to question 79.

Question 65. We are proposing to allow a registrant to aggregate the absolute value of negative and positive impacts of all climate-related events and, separately, transition activities on a financial statement line item. Should we instead require separate quantitative disclosure of the impact of each climate-related event or transition activity? Should we require separate disclosure of the impact of climate-related opportunities that a registrant chooses to disclose?

It would be expected that the increased level of granularity/detail that such separate quantification would provide could be well-received by reasonable financial statement users, but such disaggregation may not facilitate comparability across registrants, thus negating the decision-usefulness of the data. As well, the increased level of granularity/detail could affect the reasonable financial statement user expectations about materiality applied elsewhere in the financial statements and thus TELUS is not supportive of that approach. If the amounts were individually material/above disclosure quantitative threshold, such disaggregation could be reasonable, but not the inverse.

As set out in the responses to questions 60 and 72, the decision making usefulness of the disclosure could be negatively impacted by not requiring bifurcation into price and quantity effects as important underlying facts and trends may be masked by such aggregation.

Question 66. The proposed financial impact metrics would not require disclosure if the absolute value of the total impact is less than one percent of the total line item for the relevant fiscal year. Is the proposed threshold appropriate? Should we use a different percentage threshold (e.g., three percent, five percent) or use a dollar threshold (e.g., less than or greater than \$1 million)? Should we use a combination of a percentage threshold and a dollar threshold? Should we only require disclosure when the financial impact exceeds the threshold, as proposed, or should we also require a determination of whether an impact that falls below the proposed quantitative threshold would be material and should be disclosed?

Although a one per cent threshold would be a welcome "bright line" rule, there would be a number of concerns with such an approach.

- For economically larger registrants, a one per cent threshold would reasonably be expected to preclude much disclosure (as one per cent of a line item could easily be \$100 millions or \$1 billions), although it could be dependent in part upon the industry of the registrant.
- Consideration should be given to applying a percentage threshold to the total of operating expenses rather than on a line-by-line basis. It would not be unreasonable to expect an order of magnitude difference between operating expense line items – the disclosed financial statement metrics could thus be an order of magnitude difference in size as well (inferring that materiality differs by line item). To compensate for applying a percentage threshold to the total of expenses, a smaller "classic" materiality

one per cent could be applied to such total to

adjusted differences" threshold of five per cent of pre-tax income would be familiar to preparers, auditors and reasonable financial statement users.

Although a dollar threshold has some appeal, it could infer a materiality to the financial statements that is not reality. A dollar threshold is appealing in that: 1) it is a "bright line"; and 2) if it was set "low" (from the perspective of a larger issuer), it would be more onerous for a larger issuer (who would be expected to be able to bear a greater reporting burden) and less onerous for a smaller registrant (who would not be expected to be able to bear a greater reporting burden). For a registrant reporting in \$ billions, it does not seem reasonable that certain aspects of its financial statements would have, in effect, a \$1 million materiality when the rounding necessary in the preparation of financial statements would be orders of magnitude larger.

TELUS currently would not be supportive of explicitly requiring the determination of whether an item below a proposed quantitative threshold was material. Particularly so if the proposed quantitative threshold was a result below prudent normal auditor and preparer assessments of materiality.

Question 67. For purposes of determining whether the disclosure threshold has been met, should impacts on a line item from climate-related events and transition activities be permitted to offset (netting of positive and negative impacts), instead of aggregating on an absolute value basis as proposed? Should we prescribe how to analyze positive and negative impacts on a line item resulting from the same climate-related event or the same transition activity (e.g., whether or not netting is permitted at an event or activity level)? Should we permit registrants to determine whether or not to offset as a policy decision (netting of the positive and negative impact within an event or activity) and provide relevant contextual information? Should we require the disclosure threshold to be calculated separately for the climate-related events and transition activities, rather than requiring all of the impacts to be aggregated as proposed?

Although there is some appeal to netting of positive and negative impacts ("what is the bottom line effect?"), netting would negatively affect comparability across registrants if registrants did not address positive impacts in the same way. The concept of offsetting is well understood in the authoritative accounting standards and the consistent use of this concept throughout a set of financial statements should assist reasonable financial statement users' comprehension of the disclosures.

Question 68. Instead of including a quantitative threshold, as proposed, should we require disaggregated disclosure of any impact of climate-related risks on a particular line item of the registrant's consolidated financial statements? Alternatively, should we just use a materiality standard?

As set out in the responses to questions 65, 66, 76, 77, 87 and 92, TELUS currently would be concerned about the practicality of multiple measures of materiality used in preparation of a single set of financial statements covered by a single assurance report.

Question 69. Should we require a registrant to disclose changes to the cost of capital resulting from the climate-related events? If so, should we require a registrant to disclose its weighted average cost of capital or any internal cost of capital metrics? Would such disclosure elicit decision-useful or material information for investors?

Disclosure of incurred, or contractually potential, "penalties" for failing to achieve metrics set out in securities such as sustainability-linked bonds would appear to be a reasonable disclosure (and such disclosure would be reasonably expected even without this proposed rule). Past that, TELUS currently would not be supportive of such a disclosure requirement. TELUS does not believe such disclosure would elicit decision-useful or material information for reasonable financial statement users, when, in fact, many reasonable financial statement users already determine their own uniquely-determined cost of capital for registrants.

In some measure, the weighted average cost of capital is dynamic on an intra-day basis. A registrant's accumulated weighted average cost of capital is not necessarily reflective of the cost of its next dollar of capital. In its experience, although TELUS may necessarily identify a specific amount as "the" weighted average cost of capital (for example in the context of routine impairment testing of indefinite life intangible assets), the weighted average cost of capital is, in reality, a consensus range rather than a finite data point. As well, for larger registrants with multiple benchmark-sized issuances of securities outstanding, their ability to determine the weighted average cost of incremental capital would not be the same challenge as it would be for smaller registrants. Internal cost of capital metrics may be purposefully disconnected from market and thus would be of limited use to reasonable financial statement users in this context and in many instances could be competitively sensitive.

Question 70. We have not proposed defining the term "upstream costs" as used in the proposed examples for the financial impact metrics and elsewhere. Should we define that term or any others? If so, how should we define them?

TELUS does not believe that there is a need to define the term "upstream costs".

Question 71. Are the proposed examples in the financial impact metrics helpful for understanding the types of disclosure that would be required? Should we provide different or additional examples or guidance?

Additional examples are, and guidance is, always preferred.

II.F.3 EXPENDITURE METRICS

Question 72. Should we require registrants to disclose the expenditure metrics, as proposed? Would presenting the expenditure metrics separately in one location provide decision-useful information to investors? Is there a different type of metric that would result in more useful disclosure of the expense or capitalized costs incurred toward climate-related events and transition activities or toward climate-related risks more generally?

TELUS currently would be concerned about simplistic financial statement user analysis of the disclosed financial expenditure metrics, which may not even be prepared comparably across registrants. If, for example, a financial statement user superficially determined that one of their evaluation criteria was x% of revenue should be spent on transition activities, significant and necessary context for the level of expenditure could be excluded from the evaluation (e.g. differing geographies and associated climates; context/backdrop of historic expenditures that affect current expenditures; value-for-money of past and present expenditures; climate goals and timelines to achieve those goals).

TELUS currently does not believe that wholesale disclosure of "expenditure expensed" amounts would be decision-useful information due to significant non-differentiated data that would necessarily need to be included in the metric (as illustrated in the response to question 60). As well, in that the disclosed financial expenditure metrics would not be required to be bifurcated into price and quantity effects, important underlying facts and trends may be masked.

If the financial expenditure metrics were to remain as broad as proposed, the compliance date should be extended a further three (3) years so as to facilitate completeness and cleanliness of developing the underlying data; an initial estimate of 24 months for systems design, development and testing would be necessary prior to putting a system solution into production and then completely and cleanly capturing the new data points.

Question 73. Would the disclosure required by the expenditure metrics overlap with the disclosure required by the financial impact metrics? If so, should we require the disclosure to be provided pursuant to only one of these types of metrics?

Although aggregated in a different manner, the disclosure of expenditure metrics appears to be a subset of, and fully overlapped by, the financial impact metrics. As set out in the response to question 59, TELUS is not supportive of disclosure of financial impact metrics; thus, the recommendation would be to require only the disclosure of the expenditure metrics.

Question 74. Should the same climate-related events (including severe weather events and other natural conditions and identified physical risks) and transition activities (including identified transition risks) that we are proposing to use for the financial impact metrics apply to the expenditure metrics, as proposed? Alternatively, should we not require a registrant to disclose expenditure incurred towards identified climate-related risks and only require disclosure of expenditure relating to severe weather events and other natural conditions? Should we require a registrant to disclose the expenditure incurred toward only certain examples of severe weather events and other natural conditions? If so, should we specify which severe weather events and other natural conditions the registrant must include? Would requiring disclosure of the expenditure relating to a smaller subset of climate-related risks be easier for a registrant to quantify without sacrificing information that would be material to investors?

An approach restricting the underlying data to that of impacts of severe weather events and other natural conditions would be expected to result in expenditures that may be easier to quantify (subject to the concerns set out in the responses to questions 60 and 72). TELUS does not believe it practical to specify which severe weather events or other natural conditions a registrant should include in their financial statement metrics.

Question 75. Should the proposed rules instead require a registrant to disclose the aggregate amounts of expensed and capitalized costs incurred toward any climate-related risks? Should expenditures incurred towards climate-related opportunities be optional based on a registrant's election to disclose such opportunities, as proposed?

Assuming that amounts expensed and capitalized costs incurred toward climate-related risks were material in the aggregate, such disclosure would appear to be reasonable. As set out in the response to question 60, however, the completeness of climate-related risk data could result in obfuscation in financial expenditure metric disclosure due to the necessity of including non-differentiating data. Reducing the scope of the disclosure to transition risks could significantly reduce the volume of non-differentiated disclosure and, as a result, provide a clearer view of decision-useful information for reasonable financial statement users.

It would be reasonable to align disclosure of expenditures towards climate-related opportunities with disclosure of financial statement impacts of climate-related opportunities. However, reasonable financial statement users may assume that there is a relationship between the two metrics that allows a margin to be inferred on such opportunities, which may, or may not, be a reasonable assumption; as well, some registrants may perceive such disclosure to be competitively sensitive and may thus decline the option. See further comments set out in the response to question 62.

Question 76. Should we apply the same disclosure threshold to the expenditure metrics and the financial impact metrics? Is the proposed threshold for expenditure metrics appropriate? Should we use a different percentage threshold (e.g., three percent, five percent) or use a dollar threshold (e.g., less than or greater than \$1 million)? Should we use a combination of a percentage threshold and a dollar threshold? Should we only require disclosure when the amount of climate-related expenditure exceeds the threshold, as proposed, or should we also require a determination of whether an amount of expenditure that falls below the proposed quantitative threshold would be material and should be disclosed? Should we require separate aggregation of the amount of expense and capitalized costs for purposes of the threshold, as proposed? Should we require separate aggregation of expenditure relating to the climate-related events and transition activities, as proposed?

Provided that “expenditure expensed” was defined to include cost of sales and service, depreciation, depletion and amortization, TELUS currently would be supportive of the disclosure threshold for expenditure metrics being applied to the financial impact metrics, as further set out in the response to question 66 (ultimately, the same derived dollar value applied to both). Although a one per cent threshold (consistent with the financial impact metrics) would be a welcome “bright line” rule, there would be a number of concerns with such an approach.

- For economically larger registrants, a one per cent threshold would reasonably be expected to preclude much disclosure (as one per cent total expenditure could easily be \$100 millions or \$1 billions), which could significantly reduce the quantum of items disclosed.
- Alternatively, a “summary of unadjusted differences” threshold of five per cent of pre-tax income would be familiar to preparers, auditors and reasonable financial statement users.

Although a specified dollar threshold has some appeal, it could infer a materiality to the financial statements that is not reality. A dollar threshold is appealing in that: 1) it is a “bright line”; and 2) if it was set “low” (from the perspective of a larger issuer), it would be more onerous for a larger issuer (who would be expected to be able to bear a greater reporting burden) and less onerous for a smaller registrant (who would not be expected to be able to bear a greater reporting burden). For a registrant reporting in \$ billions, it does not seem reasonable that certain aspects of its financial statements would have, in effect, a \$1 million materiality when the rounding necessary in the preparation of financial statements would be orders of magnitude larger.

TELUS currently would not be supportive of explicitly requiring the determination of whether an item below a proposed quantitative threshold was material. Particularly so if the proposed quantitative threshold was a result below prudent normal auditor and preparer assessments of materiality.

Separate aggregation of the amount of expense and capitalized costs appears reasonable, as does separate aggregation of the climate-related events and transition activities.

Question 77. Instead of including a quantitative threshold, as proposed, should we require disaggregated disclosure of any amount of expense and capitalized costs incurred toward the climate-related events and transition activities, during the periods presented? Alternatively, should we just use a materiality standard?

As set out in the response to question 65, it would be expected that the increase level of granularity/detail such disaggregation could provide could be well-received by reasonable financial statement users, but such disaggregation may not facilitate comparison across registrants, thus negating the decision-usefulness of the data. As well, the increased level of granularity/detail could negatively affect the reasonable financial statement user expectations about materiality applied elsewhere in the financial statements and thus TELUS is not supportive of that approach. If the amounts were individually material/above disclosure quantitative threshold, such disaggregation could be reasonable, but not the inverse.

As set out in the response to question 79, the disclosure of “any amount” of expense and capitalized costs significantly affects the scope of the new data points that would need to be captured to comply with the financial expenditure metrics disclosure. This scope matter will also significantly affect assurance efforts in respect of completeness (completeness of the new data points possibly being one of the most daunting aspects of complying with the proposed rule). As set out in the response to question 72, it could reasonably take 24 months to design, develop, test and implement a systems solution to capture these new data points.

As set out in the responses to questions 65, 68 and 76, TELUS currently would be concerned about the practicality of multiple measures of materiality used in preparation of a single set of financial statements covered by a single assurance report.

Question 78. Are the proposed requirements for calculating and presenting the expenditure metrics clear? Should the analysis be performed and disclosed in a different manner, other than separately based on capitalized costs and amount of expenditure expensed and separately based on the climate-related events and transition activities? Should disclosure of expenditure incurred be required for both the amount of capitalized costs and the amount of expenditure expensed if only one of the two types of expenditure meets the disclosure threshold? Should we require separate disclosure of expenditure incurred toward each climate-related event and transition activity?

The proposed requirements for presenting the financial expenditure metrics are sufficiently clear; the proposed requirements for calculating the expenditure metrics are insufficiently clear as set out in the response to question 79. Separate disclosure of expenditure incurred toward each climate-related event and transition activity should not be required for amounts below threshold or below materiality.

Question 79. The proposed rule does not specifically address expensed or capitalized costs that are partially incurred towards the climate-related events and transition activities (e.g., the expenditure relates to research and development expenses that are meant to address both the risks associated with the climate-related events and other risks). Should we prescribe a particular approach to disclosure in such situations? Should we require a registrant to provide a reasonable estimate of the amount of expense or capitalized costs incurred toward the climate-related events and transition activities and to provide disclosure about the assumptions and information that resulted in the estimate?

This question sets out one of the key recognition and measurement challenges (“calculation” challenge) in implementing the provisions of the proposed rule.

If a registrant has a multi-thousand fleet of service vehicles and prospectively acquires electric vehicles (“EV”s) rather than, say, fossil-fuel vehicles, how much of that incremental EV acquisition cost should be ascribed to transition activities? A position could reasonably be taken that the acquisition cost difference between the EV and fossil-fuel versions of the vehicle could be considered a transition activity capital expenditure (a simple focus on capital cost of the vehicle). There could be management bias of a registrant that the entirety of the EV acquisition cost should be ascribed to transition activities. A position could also reasonably be taken that the full-cycle cost (combined capital cost and operating expenses) of ownership could be equal, or possibly in the EV’s favour, so should any of that acquisition price difference be considered a transition activity expenditure? If EV range and cargo carrying capacity should necessitate increased numbers of fleet vehicles to achieve the same amount of “work” per unit of time as fossil-fuel vehicles, what amount of the incremental EV capital costs and operating expenses should be ascribed to transition activities? Should expenditures to install on-premises EV charging stations be considered a transition activity capital expenditure or does a registrant consider it a lower-cost method of putting consumable energy in the registrant’s service vehicles than paying someone to go to a fossil-fuel station and “re-energize” the service vehicle?

TELUS currently would be supportive of principles, or possibly rules, being established to deal with such illustrative situations as contemplated in the paragraph above. It would not necessarily be intended as a determination of the theoretically “correct” answer, but it would be intended to result in a common approach that would facilitate comparison of amounts across registrants.

As well, this “partially incurred” aspect significantly affects the scope of the new data points that would need to be captured to comply with the financial expenditure metrics disclosure; would “partially incurred” only affect quantities impacted by the climate-related events and transition activities? Or prices? Or some combination of the two? This scope matter will also significantly affect assurance efforts in respect of completeness (completeness of the new data points possibly being one of the most daunting and effort-impacting aspects of complying with the proposed rule).

Question 80. Are the proposed terms and examples used in the expenditure metrics helpful for understanding the types of disclosures that would be required? Should we provide different or additional examples?

Additional examples are, and guidance is, always preferred.

II.F.4 FINANCIAL ESTIMATES AND ASSUMPTIONS

Question 81. Should we require disclosure of financial estimates and assumptions impacted by the climate-related events and transition activities (including disclosed targets), as proposed? How would investors use this information?

Material estimates and assumptions that are materially impacted by climate-related events and transition activities are already required to state as such; it would be redundant to write this into a new rule.

Question 82. Should we instead require disclosure of only significant or material estimates and assumptions that were impacted by the climate-related events and transition activities? Alternatively, should we require disclosure of only estimates and assumptions that were materially impacted by the climate-related events and transition activities?

See response to question 81.

Question 83. Should we instead require disclosure of financial estimates and assumptions impacts by a subset of Question climate-related events and transition activities, such as not requiring disclosure related to identified climate-related risks or only requiring disclosure with respect to a subset of severe weather events and natural conditions? If so, how should the subset be defined?

See response to question 81.

Question 84. Should we instead utilize terminology and thresholds consistent with the critical accounting estimate disclosure requirement in 17 CFR 229.303(b)(3), such as “estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant”? If so, should we only require disclosures of whether and how the climate-related events and transition activities impacted such critical accounting estimates? Should we require only a qualitative description of how the estimates and assumptions were impacted by the climate-related events and transition activities, as proposed? Should we require quantitative disclosures as well? If so, should we require such disclosure only if practicable or subject to another qualifier?

See response to question 81.

Question 85. Should the disclosure of financial estimates and assumptions impacted by climate-related opportunities be optional, as proposed?

No. See response to question 81.

Question 86. For the proposed financial statement metrics, should we require a registrant to disclose material changes in estimates, assumptions, or methodology among fiscal years and the reasons for those changes? If so, should we require the material changes disclosure to occur on a quarterly, or some other, basis? Should we require disclosure beyond a discussion of the material changes in assumptions or methodology and the reasons for those changes? Do existing required disclosures already elicit such information? What other approaches should we consider?

As the financial statement metrics will form a part of the financial statements, TELUS currently believes that existing GAAP addresses this issue.

II.F.5 INCLUSION OF CLIMATE-RELATED METRICS IN THE FINANCIAL STATEMENTS

Question 87. We are proposing to require the financial statement metrics to be disclosed in a note to the registrant's audited financial statements. Should we require or permit the proposed financial statement metrics to be disclosed in a schedule to the financial statements? If so, should the metrics be disclosed in a schedule to the financial statements, similar to the schedules required under Article 12 of Regulation S-X, which would subject the disclosure to audit and ICFR requirements? Should we instead require the metrics to be disclosed as supplemental financial information, similar to the disclosure requirements under FASB ASC Topic 932-235-50-2 for registrants that have significant oil- and gas-producing activities? If so, should such supplemental schedule be subject to assurance or ICFR requirements?

The disclosure of the financial statement metrics should not have optional placement – either include in the financial statements or not. Reasonable financial statement users should expect consistency and comparability across registrants in this regard. Further, reasonable financial statement users should also expect that the financial statement metrics have the same qualitative characteristics of useful financial information (relevance, faithful representation, comparability, verifiability, timeliness and understandability) as the financial statements in which, and if, they are included.

The ASC 932-235-50-2 approach would appear reasonable if not included in the audited financial statements. Such supplemental schedule approach may facilitate dealing with several assurance-related challenges, including basis of presentation challenges, as set out in the response to question 92, and otherwise dealing with multiple assessments of materiality within a single set of consolidated financial statements and the inclusion of forward-looking information (should financial statement impacts form part of the final rule).

If ICFR is to apply to such a supplemental schedule, there should be a suitably long transition period for processes and procedures to be finalized, documented, tested and remediated (all if, and as, necessary), no different than the initial compliance requirements for Section 404 of the Sarbanes-Oxley Act of 2002.

Question 88. Instead of requiring the financial statement metrics to be disclosed in a note to the registrant's audited financial statements, should we require a new financial statement for such metrics? For example, should a "consolidated climate statement" be created in addition to the consolidated balance sheets, statements of comprehensive income, cash flows, and other traditional financial statements? Would including the proposed metrics in a new financial statement provide more clarity to investors given that the metrics are intended to follow the structure of the existing financial statements (including the line items)? What complications or unintended consequences may arise in practice if such a climate statement is created?

From the perspective of a preparer, a new financial statement would be expected to duplicate significant amounts of data from the audited primary financial statements which should be an unintended and undesirable consequence; increased quantity of duplicative information may tend to obscure information. From the perspective of a user of the information, having financial statement metrics *in situ* in the audited financial statements would be the preferable approach.

Question 89. Should we require the disclosure to be provided outside of the financial statements? Should we require all of the disclosure to be provided in the proposed separately captioned item in the specified forms?

See response to question 88.

Question 90. Should we require any additional metrics or disclosure to be included in the financial statements and subject to the auditing and ICFR requirements as described above? For example, should any of the disclosures we are proposing to require outside of the financial statements (such as GHG emissions metrics) be included in the financial

statements? If so, should such metrics be disclosed in a note or a schedule to the financial statements? If in a schedule, should such schedule be similar to the schedules required under Article 12 of Regulation S-X and subject to audit and ICFR requirements? Should we instead require the metrics to be disclosed as supplemental financial information in a supplemental schedule? If so, should such supplemental schedule be subject to assurance or ICFR requirements?

Theoretically, including the GHG emissions as a note in the audited financial statements is appealing, but practically this could be difficult to assure as part of the financial statement audit. To that end, it could more practical to disclose it as a supplemental schedule that is subjected to limited assurance procedures.

It is expected to be costly to fully apply ICFR to such information given the high dependence upon others for the data, and such data providers may well be globally dispersed and involve many countries. Although theoretically appealing to apply ICFR to such information, the costs and benefits of such a requirement should be discretely assessed. As set out in the response to question 87, if ICFR is to apply to such a supplemental schedule, there should be a suitably long transition period for processes and procedures to be finalized, documented, tested and remediated (all if, and as, necessary), no different than the initial compliance requirements for Section 404 of the Sarbanes-Oxley Act of 2002.

Question 91. *Under the proposed rules, PCAOB auditing standards would be applicable to the financial statement metrics that are included in the audited financial statements, consistent with the rest of the audited financial statements. What, if any, additional guidance or revisions to such standards would be needed in order to apply PCAOB auditing standards to the proposed financial statement metrics? For example, would guidance on how to apply existing requirements, such as materiality, risk assessment, or reporting, be needed? Would revisions to the auditing standards be necessary? What additional guidance or revisions would be helpful to auditors, preparers, audit committee members, investors, and other relevant participants in the audit and financial reporting process?*

Additional examples are, and guidance is, always preferred. At a minimum, additional guidance on how to apply materiality (see responses to questions 65, 66, 68, 76, 77, 87 and 92) and reporting would be expected (see, for example, responses to questions 62 and 92). The request for additional examples and guidance will be dependent upon the final form of the proposed rule.

Question 92. *Would it be clear that the climate-related financial statement metrics would be included in the scope of the audit when the registrant files financial statements prepared in accordance with IFRS as issued by the IASB? Would it be clear that the proposed rules would not alter the basis of presentation of the financial statements as referred to in an auditor's report? Should we amend Form 20-F, other forms, or our rules to clarify the scope of the audit or the basis of presentation in this context? For example, should we amend Form 20-F to state specifically that the scope of the audit must include any notes prepared pursuant to Article 14 of Regulation S-X? What are the costs for accounting firms to provide assurance with respect to the financial statement metrics? Would those costs decrease over time?*

It is clear that the proposed rule intends that climate-related financial statement metrics would be included in the scope of the audit of filed financial statements that are otherwise prepared in accordance with IFRS as issued by the IASB ("IFRS-IASB"). It is not clear that the proposed rule would not alter the basis of presentation of the financial statements as referred to in the auditor's report – some of the proposed rule's contemplated financial statement metrics to be presented as a financial statement note are currently beyond the scope of IFRS-IASB and the materiality decisions in respect of these disclosures may not be in keeping with IFRS-IASB (see responses to questions 65, 66, 68, 76, 77 and 87); the auditor's opinion should not infer otherwise. Clarification as to how the basis of presentation in the auditor's report is to be amended to reflect these differences is required.

From the viewpoint of a registrant/preparer, TELUS currently would see upward assurance fee pressure, potentially from two sources. As set out in the response to question 66, a rule

that would, in effect, set a materiality level at an amount below the materiality that would otherwise prudently be determined by an auditor or a preparer will necessarily result in incremental assurance work, both in respect of amounts disclosed and in respect of the internal controls over that financial reporting (although amending the basis of presentation may assist in minimizing the increased scope of assurance work). As the data necessary to compile the financial statement metrics is largely new data, processes and controls will need to either be newly created, or possibly existing processes and controls may be adapted, but the expectation is that incremental assurance work on internal controls over financial reporting will be necessary.

II.J REGISTRANTS SUBJECT TO THE CLIMATE-RELATED DISCLOSURE RULES AND AFFECTED FORMS

Question 189. An International Sustainability Standards Board (ISSB) has recently been created, which is expected to issue global sustainability standards, including climate-related disclosure standards. If we adopt an alternative reporting provision, should that provision be structured to encompass reports made pursuant to criteria developed by a global sustainability standards body, such as the ISSB? If so, should such alternative reporting be limited to foreign private issuers, or should we extend this option to all registrants? What conditions, if any, should we place on a registrant's use of alternative reporting provisions based on the ISSB or a similar body?

As a foreign private issuer, TELUS currently would be supportive of ISSB-compliant disclosure being accepted, on an unconditional basis, as an alternate reporting provision. Similar to only allowing the IASB version of IFRS without reconciliation to US GAAP, the use of ISSB-compliant disclosure should be restricted to the "official" version as contrasted with a version that may have requirements "suspended" in various jurisdictions.

II.M COMPLIANCE DATE

Question 197. Should we provide different compliance dates for large accelerated filers, accelerated filers, non-accelerated filers, or SRCs, as proposed? Should any of the proposed compliance dates in the table above be earlier or later? Should any of the compliance dates be earlier so that, for example, a registrant would be required to comply with the Commission's climate-related disclosure rules for the fiscal year in which the rules become effective?

TELUS acknowledges that timely action is desirable for climate-related disclosure, but would echo the comments made in numerous other submissions to the proposed rule: given the volume and complexity of the proposed rule, an extended comment period would maximize the deserved sober thought that this proposed rule warrants. If an extended comment period were to modestly delay the effective dates of the final rule, it could be a worthy compromise to achieve a better final rule. A similar comment could be made in respect of the Securities and Exchange Commission's participation in the ISSB working group to enhance compatibility between global baseline and jurisdictional initiatives – a modest delay in effective dates of the final rule would be a worthy compromise if the final rule would globally increase comparability across financial reporting.

The appropriateness of compliance dates, for any filer, is dependent upon the form of the final rule. Should the proposed rule be enacted substantially as currently drafted, TELUS currently would propose that all compliance dates be extended by three (3) years so as to allow for the anticipated planning, development and implementation of systems necessary to capture the new data points that will underpin the newly required financial statement metrics.

Further, if ICFR is to apply to financial statement metrics, there should be a suitably long transition period for processes and procedures to be finalized, documented, tested and remediated (all if, and as, necessary), no different than the initial compliance requirements for Section 404 of the Sarbanes-Oxley Act of 2002.

Question 200. Should we include rules or guidance addressing less common situations, such as, but not limited to, reverse mergers, recapitalizations, other acquisition transactions, or if a registrant's SRC (or EGC) status changes as a result of such situations?

Additional examples are, and guidance is, always preferred.

Question 201. Are there other phase-ins or exemptions regarding any or all of the proposed rules that we should provide?

As set out in its opening remarks, TELUS acknowledges that timely action is desirable for climate-related disclosure. TELUS currently would suggest, however, that further staggering/phasing of the implementation dates for certain disclosures is necessary. Generally, TELUS currently would not suggest deferring the effective date of the qualitative disclosure requirements. However, the financial statement metrics to be set out in a financial statement note requires: the capture of data points heretofore never before captured (expected that an ERP solution may possibly be needed) and will require the design, implementation and testing of new processes to capture these data points; the design, implementation and testing of internal controls over financial reporting for this new data stream; and assurance challenges arising from incorporating this information in the consolidated financial statements will need to be addressed. TELUS currently would suggest that a three-year deferral for the effective date of the financial statement metrics could be both appropriate and necessary (depending upon the final rule).

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