



October 23, 2023

Hon. Peter Bethlenfalvy
Minister of Finance
Frost Building South
7th Floor
7 Queen's Park Cres.
Toronto, ON M7A 1Y7

Subject: Professional Engineers and the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards

Hon. Minister Bethlenfalvy,

The Ontario Society of Professional Engineers (OSPE) represents and advocates for the engineering profession in Ontario. With over 85,000 professional engineers, 250,000 engineering graduates, 6,600 engineering post-graduate students, and 37,000 engineering undergraduate students in the province, OSPE is committed to promoting the highest standards in the field.

In June 2023, the International Sustainability Standards Board (ISSB) introduced its first two sustainability disclosure standards under the International Financial Reporting Standards (IFRS): IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures. Although currently not mandatory, it is likely that these disclosure standards will be adopted by provincial securities regulators, including the Ontario Securities Commission.

OSPE advocates for the development of legislation that mandates Qualified Persons (QPs), such as Professional Engineers, to be responsible for the technical aspects of reporting required by the ISSB sustainability disclosure standards.

The adoption of these standards is essential for enhancing investor confidence in Ontario's capital markets. Providing consistent and reliable sustainability information empowers investors with a clearer understanding of a company's environmental, social, and governance (ESG) risks and opportunities, enabling more informed investment decisions.

These standards offer the potential to streamline sustainability reporting and ensure the validity and accuracy of the information. By utilizing licensed Professional Engineers, the technical aspects of sustainability performance measurement, reporting, and management can be assured.

Professional Engineers play a critical role in supporting the ISSB sustainability disclosure standards by contributing their technical expertise and insights. Collaborating with financial professionals, sustainability experts, and other stakeholders, they ensure that sustainability performance's technical aspects are effectively integrated into an organization's financial reporting. This collaboration fosters informed decision-making based on facts, with licensed individuals being responsible, accountable to

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their profession, and bound by a code of ethics in their area of practice. This approach enhances sustainability performance, prevents greenwashing, and improves transparency and accountability to stakeholders.

The ISSB will continue to develop and release additional disclosure standards, focusing on areas such as Human Rights, Human Capital, and Biodiversity. It is crucial for Ontario to prepare for these developments now and recognize the significant role Professional Engineers will play in supporting these advancements.

We urge the Ministry to develop legislation that mandates the involvement of Professional Engineers in the technical aspects of reporting required by the ISSB Standards. OSPE is committed to collaborating with the Ministry, offering guidance, and providing the expertise of our members to support this endeavor. For inquiries, please contact advocacy@ospe.on.ca

Sincerely,



Stephanie Holko, P.Eng., MBA
Chair and President
Ontario Society of Professional Engineers



Sandro Perruzza
Chief Executive Officer
Ontario Society of Professional Engineers