

Sent via electronic mail

December 19, 2024

The Securities and Exchange Commission, Thailand

esg-sec@sec.or.th

Subject: UPP comments on the Principle of Thailand Sustainability Disclosure Roadmap regarding International Sustainability Standards (ISSB Roadmap)

Dear members of Thailand's Securities and Exchange Commission (SEC):

We appreciate the opportunity to comment on the Principle of Thailand Sustainability Disclosure Roadmap regarding International Sustainability Standards (ISSB Roadmap). We welcome the efforts of the SEC to further align existing corporate sustainability disclosure standards with International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2).

UPP is a jointly sponsored pension plan created by and for Ontario's university sector with over 40,000 members, and \$11.7 billion in assets under management. As a long-term investor, UPP seeks to invest responsibly and promote the health of the financial, social, and environmental systems on which capital markets rely in order to deliver strong, sustainable value to members today and tomorrow. UPP is growing a resilient fund to secure pension benefits for members today and for generations to come and is open to all employers and employees within Ontario's university community.

As an institutional investor we believe that sustainable returns in a long-term horizon can be achieved exclusively with comprehensive integration of sustainability and climate change risks in the investment process. UPP invests across several asset classes globally and we encourage standardized high-quality reporting of sustainability-related information.

Adhering to ISSB Standards ensures the disclosure of sustainability related information worldwide, thus, reporting entities can be held accountable for transparent disclosure. For UPP and other institutional investors globally, this means a reduction of risk and uncertainty, which in turn affects investment decision-making. UPP advocates for the adoption and enforcement of such standards in alignment with ISSB Standards and we are sharing our views, alongside other investors, on jurisdictional sustainability consultations around the world.

Limiting modifications to ISSB Standards reduces fragmentation and promotes comparability for investors but also streamlines and reduces the reporting burden for companies that may need to comply with multiple reporting requirements.

UPP is supportive of these key disclosure criteria that are included in the ISSB global baseline standard:

- Unified approach to the definition of materiality across jurisdictions.
- Reporting timeline aligned with financial statements and clear inclusion of a connection between the reported information and financial statements.
- Reporting included in general-purpose financial reporting.
- Provision of the information across governance, strategy, risk management, metrics and targets reporting dimensions.

- Reporting should include disclosures about opportunities as well as risks including all sustainability-related risks and opportunities with potential to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.
- Industry-specific disclosures.
- Exploration of alignment with Sustainability Accounting Standards Board (SASB) standards.
- Disclosure of scopes 1, 2 and 3 in alignment with GHG Protocol and publication of financed emissions.
- Disclosure of climate-related scenario analysis, targets and transition plan.

We welcome the SEC work on adopting ISSB standards locally and we recognize the effort to align the proposed ISSB Roadmap and IFRS S1 and IFRS S2. UPP would like to provide the following comments on the exposure drafts and emphasize the following aspects. We consider them to be essential components of the ISSB Standard but they are currently not included in the exposure drafts:

1. **Relief period:** UPP recognizes that the roadmap would result in listed entities in Thailand providing information consistent with that required by the ISSB Standards and the proposed five-year transition period provides a clear path towards fully adopting ISSB Standards. However, we are concerned that the proposed five-year relief period applies to all listed entities irrespective of size without considering different market segments in Thailand. This proposal will delay the provision of information on all sustainability-related risks and opportunities and information on Scope 3 GHG emissions delaying the realization of benefits such as attracting global investors who need timely and transparent disclosures. UPP recommends considering the implementation of a tiered market segment approach (just like proposed in other jurisdictions) with top-tier segments having transition relief periods ranging from 1 to 3 years rather than whole 5 years. Such proportionality enables the largest listed companies to be internationally aligned in their sustainability reporting at a faster pace than the rest of the market allowing at the same time smaller market players to build capacity at a reasonable timeframe.
2. **Timing of reporting:** UPP recommends aligning the timing of financial statements with the reporting of sustainability-related information and not providing an opportunity for such reporting to occur at a different time. The roadmap currently allows entities to report their annual sustainability-related financial disclosure at a different time from its financial statements (within 3 months after the end of its accounting period), for up to a period of five years. Timing alignment is essential to investors because it ensures that all material information for decision making is available at the same time.

Summary

UPP supports Thailand's Securities and Exchange Commission work on adopting ISSB standards locally and we recognize the effort to align the proposed ISSB Roadmap and IFRS S1 and IFRS S2. It is critically important that jurisdictions around the world adopt a consistent and comparable global baseline of climate-related and sustainability-related financial disclosures to meet the needs of capital and financial markets. Consultation on the ISSB Roadmap is a significant milestone in the establishment of reporting that provides the global baseline of information required by ISSB Standards in Thailand.

Do not hesitate to contact me at brian.minns@universitypensionplan.ca or +1 416-417-2587 if you require any additional information.

Thank you,

Brian Minns

Senior Managing Director, Responsible Investing