Sent via electronic mail

September 10, 2025

United Kingdom Department for Business and Trade

UK.SRS@businessandtrade.gov.uk

Subject: UPP comments on the Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2

Dear members of Department for Business and Trade:

We appreciate the opportunity to comment on the Exposure draft of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2. We welcome the efforts of the Department 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 41,000 members, and $12.8 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 aver 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 greenhouse gas emissions in alignment with GHG Protocol and publication of financed emissions.
- Disclosure of climate-related scenario analysis, targets and transition plan.

We welcome the work of the Department on adopting ISSB standards locally and we recognize the effort to align the proposed Exposure Draft and IFRS S1 and IFRS S2. UPP would like to provide the following comments on the Exposure Draft and emphasize the following aspect:

1. **Reference to SASB Standards**: UPP recognizes that the amendment proposes a different approach to how the Sustainability Accounting Standards Board (SASB) materials are referenced as a source of guidance in IFRS S1 and (for the related industry-based guidance) IFRS S2. In the Exposure Drafts the Department is proposing to amend the original text of paragraphs 55 (a) and 58 (a) in IFRS S1 and paragraphs 12, 23, 32 and 37 in IFRS S2. These amendments would allow the entity to choose whether or not to reference SASB materials and thus utilize them in the same way in applying ISSB Standards and UK SRS. This would increase the likelihood that entities would not refer to SASB, which would affect the comparability of the information disclosed. The SASB Standards are designed to provide decision-useful, comparable information to investors about sustainability-related risks and opportunities. UPP recommends aligning the language of UK SRS S1 and UK SRS S2 with IFRS S1 and IFRS S2 to ensure comparability and integrity of the information reported.

Summary

UPP supports the Department for Business and Trade work on adopting ISSB standards locally and we recognize the effort to align the proposed Exposure Draft 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 UK SRS S1 and UK SRS S2 is a significant milestone in the establishment of reporting that provides the global baseline of information required by ISSB Standards in the UK.

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

Brian Minns

Senior Managing Director, Responsible Investing

University Pension Plan Ontario