

Sent via electronic mail

March 31, 2026

Financial Services Commission

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Subject: UPP comments on the Republic of Korea Financial Services Commission's consultation on the draft ESG disclosure roadmap

Dear members of Financial Services Commission (FSC):

We appreciate the opportunity to comment on the Republic of Korea Financial Services Commission's consultation on the draft ESG disclosure roadmap. We welcome the efforts of the FSC 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 44,000 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 over a long-term horizon can only be achieved 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 while streamlining and reducing the reporting burden for companies.

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 information across governance, strategy, risk management, metrics and targets reporting.
- 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.

UPP previously submitted comments on the KSSBs' Exposure Draft of the 'Korean Sustainability Disclosure Standards' in August 2024. We welcome the work of the FSC on adapting ISSB standards for use in Korea and recognize the effort to align the proposed draft Roadmap with IFRS S1 and IFRS S2. We have identified two areas in which the FSC's proposal could lead to the disclosure of incomplete, inconsistent and non-comparable information by reporting companies. We encourage the FSC to address the following recommendations in the final rules:

1. **Expand the scope of sustainability-related risks and opportunities beyond climate (climate-first but not climate-only):** UPP acknowledges that the FSC's draft Roadmap retains a climate-first approach consistent with Korean Sustainability Disclosure Standards (KSDS). UPP supports the initial focus on climate as a foundational step. However, we are concerned that without a clear pathway toward broader sustainability-related disclosures global investors might not be able to get complete, comparable, and decision-useful of information about South Korean. UPP recommends establishing a clear and time-bound roadmap for expanding mandatory disclosures beyond climate to include all sustainability-related risks and opportunities. A roadmap would allow preparers to build capacity and provide investors with insights on when to expect comprehensive, decision-useful sustainability information reported in full alignment with ISSB guidance.
2. **Avoid departures from the ISSB Standards that affect comparability:** UPP supports the FSC's objective of aligning KSDS with ISSB Standards. However, proposed jurisdiction-specific modifications diverge from the ISSB standards, including exemptions from Scope 3 greenhouse gas emissions for selected value-chain entities and lack of clarity on the timing and location of disclosures. We are concerned that this may undermine global comparability and reduce the decision-usefulness of information for investors. UPP recommends minimizing departures from ISSB Standards and ensuring full alignment, including on Scope 3 disclosures and reporting structure.

In sum, UPP commends the Financial Services Commission for proposing updates to its current rules for listed companies' climate disclosures to better align with the ISSB's global baseline of sustainability reporting. However, we believe that the recommendations set out above should be into the final rule to enhance the quality, consistency and comparability of reporting by listed issuers in Korea. 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.

Do not hesitate to contact me at delaney.greig@universitypensionplan.ca if you require any additional information.

Thank you,



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