

Submitted via online submission form

May 27, 2026

European Commission

Subject: UPP comments consultation on the draft final revised European Sustainability Reporting Standards (ESRS)

Dear members of the European Commission:

We appreciate the opportunity to comment on the Revised European sustainability reporting standards. UPP is a jointly sponsored pension plan created by and for Ontario's university sector with over 46,000 members, and \$13.5 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.

We support the European Union's objective of reducing reporting burden while preserving high-quality sustainability-related information for capital markets and other stakeholders. Improving interoperability between the ESRS and the ISSB Standards has been a central objective of the EU Omnibus simplification process and remains critical for

companies that operate across jurisdictions. We have identified 4 areas in which the Commission could lead to the disclosure of incomplete, inconsistent or non-comparable information by reporting companies. We encourage the Commission to address the following recommendations:

- **Preserve comparability by limiting broad exemptions for commercially sensitive information.** The proposed changes to ESRS broaden the allowed conditions in which companies may omit commercially sensitive information. We understand the intent to focus on protecting sensitive commercial information however we encourage the Commission to narrow the scope of the commercially sensitive information exemptions to prevent inconsistent application across reporting entities and to preserve the completeness and comparability of disclosures that investors rely on to assess sustainability-related risks and opportunities.
- **Ensure transparency in the disclosure of investment-related sustainability risks and opportunities.** Proposed changes would allow companies to refrain from disclose information regarding impacts, risks and opportunities related to investments where those investments are subject to fiduciary duty on behalf of clients without retaining risks or rewards of ownership. We see the risk of the application of such provisions leading to reduced availability of decision-useful information for investors and inconsistencies across reporting entities and jurisdictions.
- **Ensure information for investors is clearly identifiable and not obscured by information disclosed for other stakeholders.** Information designed primarily for investors should remain clearly identifiable and should not be obscured within broader stakeholder-oriented disclosures. Investors use such information to efficiently assess risks, opportunities and enterprise value impacts. We ask the Commission to increase alignment with ISSB Standards and to provide explicit guidance to ensure that sustainability-related financial disclosures intended for investors remain clearly distinguishable within ESRS reporting.
- **Allowing companies to use flexible presentation format to make it easier to meet ISSB and ESR requirements.** We encourage the commission to explicitly allow companies to organize disclosures in a way that would comply with both ISSB and ESRS standards in order to relieve reporting burden and increase comparability.

In sum, we support the work of the European Commission on the revisions of ESRS. However, we believe that the recommendations set out above should be adopted to enhance the quality, consistency and comparability of reporting. 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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