

Sent via electronic mail

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**Subject: UPP comments on the draft of the Code of Obligations proposed by The Federal Council of Switzerland to provide further transparency on sustainability reporting**

Dear members of The Federal Council,

We appreciate the opportunity to comment on the preliminary draft of the amendments to the Code of Obligations. We welcome the efforts of the Federal Council to further align existing corporate sustainability disclosure standards with Corporate Sustainability Reporting Directive (CSRD) and 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.

### Summary

UPP strongly supports the amendments to the Code of Obligations on sustainability reporting obligations for companies. 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 amendments to Swiss sustainability reporting regulation is a significant milestone in the establishment of reporting requirements that set the foundation and build capacity for internationally aligned reporting in line with ISSB standards.

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

Thank you,

Brian Minns

Senior Managing Director, Responsible Investing