

Submitted via website [form](#)

February 26, 2024

International Public Sector Accounting Standards Board

Subject: UPP comments on the Exposure Drafts of the Public Sector Sustainability Reporting Standards (SRS)

Dear members of the International Public Sector Accounting Standards Board,

We appreciate the opportunity to comment on the International Public Sector Accounting Standards Board (IPSASB) Sustainability Reporting Standard Exposure Draft (SRS ED 1), Climate-related Disclosures. We recognized the need for sustainability disclosure standards tailored to the specificity and needs of the public sector. Such standards are essential to help public sector entities provide consistent, comparable, and verifiable information about climate and ultimately to help them maintain access to capital markets.

UPP welcomes the proposed disclosure recommendations designed in alignment with International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures (IFRS S2). Aligning with IFRS S2 ensures consistency between public and private sector reporting, making it easier for stakeholders to compare climate-related disclosures across sectors. It also leverages the global recognition of IFRS standards, enhancing the credibility of the proposed public sector climate-related disclosures.

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.

UPP strongly supported the introduction of the ISSB standards and their domestication globally. These standards enable the standardized disclosure of standardized sustainability related information worldwide. For UPP and other institutional investors globally, this means a reduction of risk and uncertainty, which in turn affects investment decision-making. As investors we would look for quality and comparability of disclosures from both public sector and private sector entities.

At the same time UPP would like to emphasize the need for general sustainability reporting standard for public sector entities developed in alignment with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1). We recognize that IPSASB is taking a climate-first approach and has plans to work on the development of an IFRS S1 aligned standard at future time alongside a project on natural resources and biodiversity data disclosure. However, we urge an accelerated approach to development of a comprehensive disclosure standard that would enable public entities to report on general sustainability information. A general sustainability disclosure standard provides the necessary broad baseline onto which topic specific disclosures can be added.

In addition, UPP would like to emphasize the unique role of public sector entities in addressing climate change (and other sustainability topics) due to their responsibilities for policymaking, public service delivery, and long-term

stewardship of public resources. The accountability to the public distinguishes the public sector from the private sector, which is primarily driven by financial performance. While SRS ED 1 provides guidance around Policy-Related Disclosures, the draft does not explicitly address how the entities must disclose their long-term stewardship responsibilities and stakeholder engagement, in particular in the context of climate change.

Summary

UPP strongly supports the approach to Climate-related Disclosures reporting outlined in the proposed SRS ED 1. Aligning with IFRS S2, allows IPSASB bring the public sector into the global sustainability reporting ecosystem. Consistency in reporting on climate-related risks and opportunities will help support comparability across sectors and is essential to drive an efficient reporting system, reducing complexity and fragmentation.

At the same time UPP encourages expedited development of disclosure standards for general sustainability information to ensure a robust and comprehensive sustainability reporting and to align with the disclosures developed for the private sector standards. We also emphasize the need to have more explicit guidance on disclosure related to the long-term stewardship responsibilities of public entities.

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

Thank you,

Brian Minns

Senior Managing Director, Responsible Investing