UPP UNIVERSITY PENSION PLAN ONTARIO

Sent via electronic mail

September 23, 2026

External Reporting Board

sustainability@xrb.govt.nz

Subject: UPP comments On the New Zealand External Reporting Board's Consultation: Draft Climate Reporting Roadmap

Dear members of the External Reporting Board (XRB):

We appreciate the opportunity to comment on the External Reporting Board's consultation on the Draft Climate Reporting Roadmap. We welcome the proposal to replace the Aotearoa New Zealand Climate Standards (NZ CS) with a New Zealand standard based on IFRS S2 Climate-related Disclosures (NZ IFRS S2).

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 the GHG Protocol and publication of financed emissions.
- Disclosure of climate-related scenario analysis, targets and transition plans.

We support the XRB's strategic direction to adopt NZ IFRS S2. The roadmap would help improve comparability and reduce regulatory fragmentation while supporting more efficient capital allocation. The XRB's proposal is also consistent with the direction of Australia and the growing number of jurisdictions adopting or using the ISSB Standards. We encourage the XRB to also develop guidance aligned with IFRS S1 to support entities that choose to report broader sustainability-related financial information.

Our responses to the consultation questions are set out below.

- **Q1. Do you support the strategic direction for climate reporting set out in the draft climate reporting roadmap?** Yes. UPP supports the proposed transition from NZ CS to NZ IFRS S2, together with the climate-relevant requirements of IFRS S1. The ISSB Standards provide a global baseline for investor-focused sustainability-related financial disclosures. Adopting IFRS S2 would improve comparability between New Zealand entities and companies reporting under ISSB-aligned standards in other jurisdictions. UPP supports the XRB's objective of harmonizing with Australia. However, regional harmonization should be achieved while maintaining alignment with the underlying ISSB requirements.
- **Q2. Do you have any further information you consider relevant to our consideration of the benefits and costs of the draft roadmap?** The main benefit for investors is access to comparable, financially material climate-related information that can be assessed alongside disclosures from companies in other ISSB-aligned jurisdictions. Alignment with IFRS S2 will support more consistent assessment of companies' exposure to climate-related risks, their management of those risks and the potential effects on their financial performance and long-term value.
- **Q3a. Would adopting IFRS S2 improve the climate information you rely on for your decision making?** Yes. IFRS S2 would improve the specificity, consistency and comparability of climate-related information available to investors. UPP supports a materiality-based approach focused on information that could affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.
- **Q3b. Which disclosures matter most to you?** We support disclosure of information that allows investors to understand how climate-related risks and opportunities affect a company's business model, strategy, financial position, financial performance and prospects. Furthermore, industry-based disclosures are also useful because climate-related risks and opportunities often arise differently across sectors. They allow investors to compare companies with similar business activities and exposures.
- **Q4. From a CRE perspective, should any of the IFRS S2 requirements (or incorporated climate-relevant portions of IFRS S1) be removed or changed?** While UPP is not a climate reporting entity (CRE) we do not recommend removing or weakening IFRS S2. We do not support broad or material changes as it reduces comparability against the global baseline and shifts costs onto investors, who must identify and adjust for the divergence.
- **Q5. What are your views on the Australian harmonization options for industry-based disclosures?** UPP supports retaining the IFRS S2 requirements for industry-based disclosures. UPP does not support Option 1, which would remove industry-based disclosures entirely, or Option 3, which would make both the disclosure of industry-based metrics and reference to the guidance optional.
- **Q8. Do you support the proposed implementation timeline?** No. UPP does not support mandatory application beginning on 1 January 2033. The proposed timeline would delay the availability of comparable climate-related information for investors for several years after NZ IFRS S2 is issued. 2033 appears to be an unjustifiably distant date. New Zealand entities have already had several years of experience applying NZ CS. This provides a stronger starting point that of jurisdictions adopting ISSB Standards for the first time. A phased approach can be considered with larger entities required to apply NZ IFRS S2 within 12-18 months. UPP recommends mandatory full application within two to three years of NZ IFRS S2 being issued.

- **Q9. Do you have any other comments?**
    a. UPP supports incorporating the climate-relevant requirements of IFRS S1 into NZ IFRS S2.
    b. UPP supports retaining the existing assurance requirements for greenhouse gas emissions and related disclosures.
    c. Although the current consultation focuses on climate-related reporting, UPP encourages the XRB to consider developing guidance aligned with IFRS S1 to support entities that choose to report broader sustainability-related financial information. Full alignment with IFRS S1 and S2 is important to investors because it supports consistent comparison of material sustainability-related risks and opportunities across companies, sectors and jurisdictions, while reducing the cost of interpreting jurisdiction-specific reporting differences.
    d. The XRB should continue monitoring broader sustainability reporting developments, including work by the ISSB on nature-related disclosures and the relationship between the ISSB Standards and other reporting frameworks.

In sum, UPP supports the transition to NZ IFRS S2. We encourage the XRB to maintain close alignment with IFRS S2; retain industry-based disclosures; limit local modifications to those supported by a compelling reason; adopt a shorter implementation timeline than the proposed 2033 mandatory application date; and consider implementation of guidance for general sustainability disclosures aligned with IFRS S1. A consistent and comparable global baseline of climate-related financial disclosures will help investors assess material climate-related risks and opportunities, support informed capital allocation and reduce unnecessary reporting fragmentation.

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

Thank you,

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