ICGN
International Corporate Governance Network

Chair Yasunobu Kawanishi
Sustainability Standards Board of Japan
Fukoku Seimei Building 20F
2-2-2 Uchisaiwai-cho, Chiyoda-ku
Tokyo 100-0011
Japan

09 January 2025

Dear Chair Kawanishi,

Subject: Revised Proposals Related to the Calculation Period for the Reporting of Metrics

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Sustainability Standards Board of Japan's (SSBJ) Exposure Draft on "Revised Proposals Related to the Calculation Period for the Reporting of Metrics". We provide comments on the English summary available on the SSBJ's website.

Led by investors responsible for assets under management of $77 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.[1]

Earlier this year, ICGN welcomed the SSBJ's efforts to develop sustainability disclosure standards functionally aligned with the International Sustainability Standards Board's (ISSB) Standards.[2] ICGN supports the ISSB's mission to develop a global baseline of sustainability-related corporate disclosures.[3] Investors have been calling for comparable, reliable, and verifiable corporate sustainability disclosures grounded in financial materiality to make informed investment and stewardship decisions, and for their own reporting to beneficiaries.

We welcome the SSBJ's proposal not to allow different reporting periods for sustainability-related financial disclosures and related financial statements, including for entities subject to reporting on greenhouse gas (GHG) emissions under the Japanese Act on Promotion of Global Warming Countermeasures,[4] as we recommended in our July 2024 letter. A single reporting period ensures that investors are provided with timely and cohesive information.

[1] ICGN Global Governance Principles (2021), ICGN Global Stewardship Principles (2020)
[2] ICGN Letter "Sustainability disclosure standards, Sustainability Standards Board of Japan" (19 July 2024)
[3] ICGN Letters "Inaugural global sustainability disclosure standards, International Sustainability Standards Board (ISSB)" (26 June 2023), "Proposed establishment of an International Sustainability Standards Board" (14 September 2021)
[4] SSBJ, "About the Exposure Draft "Revised Proposals Related to the Calculation Period for the Reporting of Metrics" on proposal to delete paragraph 71 of the Application ED and paragraphs 53 and 54 of the Climate ED (29 November 2024)

Thank you again for the opportunity to share our perspective. If you would like to follow up with questions or comments, please contact our Policy Executive, Wendela Rang (Wendela.rang@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson
Chief Executive Officer, ICGN