4th Floor
60 Great Tower Street
London, EC3R 5AZ
+44 (0) 20 3818 3900
info@cdp.net
www.cdp.net

January 2025

CDP Response to SSBJ Exposure Draft "Revised Proposals Related to the Calculation Period for the Reporting of Metrics"

Dear Chair Yasunobu Kawanishi,

CDP applauds Sustainability Standards Board of Japan (SSBJ) for continuing to dialogue with the market as the upcoming ISSB-aligned standards are finalized, and we are grateful for the opportunity to provide addition comments from our perspective as a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 700 financial institutions with over $142 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 24,800 companies representing over two thirds of global market capitalization disclosed through CDP in 2024. In Japan, more than 2,100 Japanese companies disclosed through CDP, including over 70% of the companies listed on Tokyo Stock Exchange Prime Market, 90% of TOPIX 500, and 98% of Nikkei 225.

We have appreciated the opportunity to provide feedback to the first exposure drafts issued in March 2024. As we addressed in the first consultation, the alignment of reporting period between financial and non-financial data is critical for investors and broader stakeholders to assess environmental and financial performance data. The SSBJ standards need to ensure the usefulness of the disclosed information to avoid creating market confusion and enhance access to capital. Therefore, CDP supports the overall goal of the revised proposal to ensure that financial and non-financial data is disclosed for the same reporting period, as we believe that this would best facilitate the create of comparable, decision-useful data sets that markets rely on for the transition to a low-carbon, earth-positive economy.

It is critical that we leverage the disclosure mechanism and environmental data to help us drive transparency and meaningful actions. These efforts are undermined by gaps in how and when financial and non-financial data are reported, as these gaps can obscure the connections between environmental factors and financial performance. We are encouraged

by SSBJ's plan to produce guidance indicating best practices in reconciling the reporting periods for financial and non-financial data, as this will help ensure a common baseline and create a level playing field. We believe that continued dialogue will enable SSBJ to strike the right balance between practicality for preparers and value for data users. We look forward to better understanding SSBJ's proposed approach to ensuring consistency in the alignment of reporting cycles.

Since its inception, CDP has worked toward streamlining and strengthening corporate environmental disclosure. CDP's alignment of its 2024 Questionnaire with the IFRS S2 Climate Standard is driving companies' preparedness for the upcoming SSBJ standards. Going forward, CDP will also enhance collaborations with TNFD, EFRAG, and GRI to streamline reporting. CDP is fully committed to playing its role to facilitate the implementation of the globally recognized standards across jurisdictions and inform the strategy and decisions of stakeholders through the use of data. We would be happy to continue to dialogue with SSBJ on how CDP can best support Japan's evolving corporate environmental disclosure landscape.

Thanks again for your attention. Please feel free to reach out to me and my team if there is anything else we can do for you.

Yours sincerely,

Helen Finlay
Director of Policy
CDP Worldwide