



July 22, 2024

Delivered via email to 2024ed01@ssb-j.jp

Dear Sir/Madam,

Re: Consultation on SSBJ Exposure Drafts

British Columbia Investment Management Corporation (BCI) is an investment manager with over CAD \$233 billion in assets under management, and one of the largest institutional investors in Canada. Our investment activities help finance the pensions of approximately 725,000 people in our province, including university and college instructors, teachers, health care workers, firefighters, police officers, municipal and other public sector workers. On behalf of these pension beneficiaries, we provide long term capital to companies around the world that we believe will deliver strong and stable financial returns.

As a long-time supporter of the Sustainability Accounting Standards Board (SASB), and subsequently the International Sustainability Standards Board (ISSB), BCI welcomes the opportunity to provide feedback to the Sustainability Standards Board of Japan (SSBJ) on its Exposure Drafts released in March 2024. This development is a significant milestone in the establishment of a global baseline of climate and sustainability-related financial disclosures for the capital markets in Japan.

Global alignment of sustainability-related financial disclosures

As a large institutional investor, with a globally diversified portfolio, BCI strongly believes in the benefit of globally consistent, comparable, and reliable sustainability-related financial disclosures. This information is crucial to support investment decision making and allows investors to confidently assess and manage associated risk exposure. BCI believes the best way to achieve the desired global baseline across jurisdictions is through full alignment with the ISSB's standards. These standards, IFRS S1 and S2 specifically, build on existing and broadly accepted frameworks and standards, such as the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations and the SASB industry-specific standards.

The IFRS standards have been endorsed by the International Organization of Securities Commissions (IOSCO) enhancing the prospect of global consistency, and success hinges upon the extent to which global jurisdictions adopt the standards as they are. Deviations from both the climate and sustainability standards, such as carve-outs, introduce the likelihood of reduced comparability and increase the burden and cost on issuers. We note that the ISSB's approach includes the phasing in of requirements which allow companies time to prepare for the new requirements.

With that view, we are pleased to see the close alignment between the ISSB standards and the proposed standards from the SSBJ. Limiting modification of the IFRS S1 and S2 reduces fragmentation and increases comparability for investors that deploy capital in many jurisdictions. BCI strongly supports the approach of the SSBJ to incorporate all requirements from IFRS S1 and S2 into the SSBJ proposed requirements. The addition of jurisdictional specifications chosen is also reasonable in our view.

BCI's only caution for the SSBJ is the removal of B4 and B5 in the IFRS S1 standard as it relates to resources and relationships as well as dependencies and impacts. We do see these paragraphs as important and note their absence in the SSBJ exposure drafts. Without them, we are concerned that companies may not consider their entire value chain in disclosing material sustainability information. From our perspective, both upstream and downstream sustainability issues can have a material impact on financial performance so our preference would be to see further alignment with IFRS in that particular section.

Thank you again for the opportunity to opine on this important endeavour. We appreciate the attention that the SSBJ is paying to this with the release of these exposure drafts. Strong alignment between IFRS S1 and S2 and the SSBJ Exposure Drafts can place Japan in a leadership position and will be attractive to global investors like ourselves.

For any clarifications related to this submission please contact Susan Golyak, Director, ESG at susan.golyak@bci.ca

Sincerely,

A handwritten signature in blue ink that reads "Daniel Garant". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel Garant
EVP & Global Head, Public Markets
cc Susan Golyak, Director, ESG