

MINISTER OF STATE FOR FINANCIAL SERVICES

TOKYO, JAPAN

30 August 2023

Mr. Emmanuel Faber
Chair, International Sustainability Standards Board (ISSB)
Opernplatz 14
60313 Frankfurt am Main
Germany

Dear Mr. Faber,

I am writing this letter with regard to the ISSB's *Request for Information Consultation on Agenda Priorities*.

In June 2023, the ISSB finalized the IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, in line with the ISSB's mission to issue disclosure standards that meet investors' needs for globally comparable sustainability-related financial information. We think that this was a major step forward toward consistent, comparable and reliable sustainability disclosure in global capital markets. We would like to express our deep respect for all the efforts made by the ISSB and its staff.

Considering the timing that IFRS S1 and IFRS S2 have been just finalized, we think that the next agenda is critically important. I welcome the opportunity to comment on the *Request for Information*.

In this connection, you may wish to recall G7 Hiroshima Leaders' Communiqué and G7 Finance Ministers and Central Bank Governors Meeting Communiqué, which stated that they "look forward to the ISSB's future work on disclosure on biodiversity and human capital, in line with its work plan consultation." In addition, G7 Finance Ministers and Central Bank Governors Meeting Communiqué stated that such disclosure "could enhance investors' ability to assess companies' value creation from activities related to biodiversity, investment in their workforce, and diversity, equity and inclusion."

I believe that enhanced disclosure on human capital would provide investors with crucial information in relation to companies' value creation and contribute to proper functioning of capital markets. The attached letter explains specific reasons for this point.

We look forward to continuing to work with you and support the ISSB to achieve its critical mission on the development of international standards for sustainability disclosure.

Sincerely yours,



SUZUKI Shunichi

Minister of Finance,

Minister of State for Financial Services,

and Minister in Charge of Overcoming Deflation, Japan