

International Sustainability Standards Board  
The IFRS Foundation Columbus Building,  
7 Westferry Circus, Canary Wharf, London,  
E14 4HD United Kingdom

30 August 2023

### **Opinions on ISSB Request for Information “Consultation on Agenda Priorities”**

The Study Group on Disclosure Policies for Non-financial Information was established in Ministry of Economy, Trade and Industry of Japan in June 2021 in order to discuss what directions policies should have in order to achieve high-quality disclosure of nonfinancial information. In 2022, the study group submitted an opinion paper on the IFRS S1 and IFRS S2 Exposure Drafts based on opinions from Japan’s industry.

We respect ISSB’s continuous efforts for the publishing of the IFRS S1 and IFRS S2 as well as welcoming the opportunity to comment on the Request for Information “Consultation on Agenda Priorities.”

As a global baseline of sustainability disclosure standards, we hope the ISSB will develop standards which will lead to the appropriate evaluation of corporate value by investors and we will also continue to contribute to its work.

The following is the comments from the Study Group on Disclosure Policies for Non-financial Information regarding the ISSB Request for Information “Consultation on Agenda Priorities”. Please feel free to contact us if you have any questions in regard to our statements.

#### **Study Group on Disclosure Policies for Non-financial Information**

Secretariat: Ministry of Economy, Trade and Industry of Japan  
Address: 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8901 Japan

#### Question 1

(a) How would you rank the following activities? (From highest (1) to lowest (4) priority)

- Beginning new research and standard-setting projects
- Supporting the implementation of ISSB (International Sustainability Standards Board) Standards (IFRS S1 and IFRS S2)
- Researching targeted enhancements to the ISSB Standards
- Enhancing the Sustainability Accounting Standards Board (SASB) Standards

(b) Please explain the reasons for your ranking order and specify the types of work the ISSB should prioritise within each activity.

(c) Should any other activities be included within the scope of the ISSB's work? If so, please describe these activities and explain why they are necessary.

#### Question 1 (a)

1. The study group believes that the ISSB should prioritise these two activities: "Supporting the implementation of ISSB Standards (IFRS S1 and IFRS S2)" and "Beginning new research and the standard-setting projects." The study group also believes that "Ensuring interoperability of the ISSB Standards with other sustainability standards" should be undertaken as a base activity in a timely manner.

#### Question 1 (b)

(About supporting the implementation of ISSB Standards (IFRS S1 and IFRS S2))

2. We think that it is of first importance to introduce IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) in a steady manner by achieving the objective of standards - to provide information that is useful to users in making decisions. Therefore, we propose that ISSB give higher priority to supporting the implementation of IFRS S1 and IFRS S2 in the next work plan.
3. As IFRS S1 and IFRS S2 were finalised in June 2023, they are expected to be introduced in companies all over the world in the future. Under such circumstances, it is expected that practical issues will emerge in applying IFRS Sustainability Disclosure Standards including the consistency between IFRS S1 (general requirements) and IFRS S2 (topical standards). While keeping in mind the importance of maintaining the balance between flexibility and normativity of standards, we think the ISSB should carry out the adequate assessment on these issues and then hold necessary discussions and follow up by providing guidance and interpretations.
4. Gaining common understanding on IFRS Sustainability Disclosure Standards in various jurisdictions provides the preparers with access to information from related companies which belong to the supply chain and provides the users with access to comparable sustainability-related information from companies all over the world as an advantage.
5. On the contrary, if the focus is put only on a new project without addressing issues emerging at this stage, the consistency of the entire IFRS Sustainability Disclosure Standards may not be secured or similar problems might occur in the development of other topical standards. In order

to prevent this, we believe that supporting the implementation of IFRS S1 and IFRS S2 of IFRS Sustainability Disclosure Standards should be undertaken in a steady manner.

(About beginning new research and standard-setting projects)

6. On the assumption that the implementation of IFRS Sustainability Disclosure Standards will be introduced in a steady manner as mentioned above, we believe that the priority of beginning new research and standard-setting projects is also as high as supporting the implementation of these standards.
7. Based on the need for information on sustainability issues and activities in various jurisdictions mainly in the EU, ISSB, which has the mission of building a global baseline, should start research for a new project as early as possible. We believe that, if discussions are held on several topics in ISSB Standards which have the objective of providing useful information for users of general purpose financial reports in making decisions, global discussions on sustainability reporting will become more active.
8. In this regard, we recommend that ISSB consider the overview of the set of IFRS Sustainability Disclosure Standards which ISSB eventually aims to develop, including an approximate timeframe for the aimed standard development, before deciding on a new project. Advantages of demonstrating the overview first are believed to be as follows.
  - a) Having an outlook by ISSB itself for all topics for which standards are formulated in the future will enable ISSB to consider each standard after defining the borderline between standards. In other words, if there is information that covers several topics, we think that ISSB can appropriately consider which topical standard should include requirements for the information from a wider point of view. In this regard, when IFRS S2 was developed, the overview of the set of standards which will be developed in the future was not provided. Therefore, many industry voices raised concerns saying it is not clear whether information on “climate” that is also relevant to “nature” should be subject to IFRS S2. We also think that, by considering the overview of the set of standards, ISSB will be able to make better decisions on which topical standard should include “researching enhancements to the ISSB Standards”, which is included as one of the foundational works in this Request for Information.
  - b) Companies which will apply IFRS Sustainability Disclosure Standards can expect an outlook for all topics for which standards are developed in the future. This enables companies to gradually make preparations such as allocating resources for the collection and disclosure of information related to the field before topical standards are developed by ISSB. Research, which is the basis for standard development, will become easier for ISSB as disclosure practices related to the field are accumulated. This means that it can develop reasonable requirements which do not require excessive costs.

(About ensuring interoperability of the ISSB Standards with other sustainability standards)

9. If disclosure standards and disclosure requirements are disorganised, it is complicated and costly for both the preparers and users. The ISSB should continue to coordinate with other standard-setters in order to promote securing of interoperability between IFRS Sustainability Disclosure Standards and other sustainability disclosure standards. It is necessary for ISSB to consider how disclosure should be in light of its objective, not to secure interoperability simply by integrating sustainability disclosure standards in preceding jurisdictions and regions into IFRS Sustainability Disclosure Standards, and if there are any differences, ISSB should make it clear and analyse the background of such differences. From the viewpoint of securing interoperability, the ISSB is expected to lead discussions with the disclosure standard-setters, including the possibility of revising existing disclosure standards and other items, in preceding jurisdictions and regions, at a minimum for the part which are used as the global baseline of sustainability disclosure standards.

#### Question 1 (c)

10. As we wrote in the answer to Question 1 (b), we propose that ISSB consider the overview of the set of IFRS Sustainability Disclosure Standards which the ISSB eventually aims to develop.

#### Question 2

- (a) Do you think the ISSB has identified the appropriate criteria?  
(b) Should ISSB consider any other criteria? If so, what criteria? Why?

- (1) the importance of the matter to investors (importance)
- (2) whether there are any deficiencies in the way companies disclose information on the matter
- (3) the types of companies that the matter is likely to affect, including whether the matter is more prevalent in some industries and jurisdictions than others
- (4) how pervasive or acute the matter is likely to be for companies
- (5) how the potential project interconnects with other projects in the work plan
- (6) the complexity and feasibility of the potential project and its solutions
- (7) the capacity of the ISSB and its stakeholders to progress the project in a timely way

#### Question 2 (a)

11. The following (1), (4) and (5) are believed to be especially prioritised out of the criteria written in the Request for Information.
- ((1) The importance of the matter to investors)
12. The objective of IFRS Sustainability Disclosure Standards is to require disclosure of information that is useful to primary users of general purpose financial reports in making decisions. Taking that into account, it is believed that when prioritising sustainability-related reporting issues, the importance of the matter to investors should be focused on. Accordingly, this also means that the focus is put on the importance to a company's value creation. Therefore, we propose that the

criteria (1) should be “the importance of the matter to investors, especially in terms of assessing a company’s capability to create value.”

((4) how pervasive or acute the matter is likely to be for companies)

13. How pervasive or acute the matter is likely to be for companies is also considered an important criterion. It is considered highly important because if the matter is pervasive in a company, it means that there is a strong need for information on the matter, or that the company has already taken action on the matter.

14. We underline that it is important to consider not only risks to companies but also “how important they are to company’s value creation and how much they are related to value creation” when conducting evaluation in comparison with this criterion.

((5) how the potential project interconnects with other projects in the work plan)

15. In addition to the above, interconnection between the project and other projects should be thought of as a priority. For example, addressing a sustainability challenge might be a disadvantage to another sustainability challenge. Therefore, when deciding the start of new research and a standard setting project, the ISSB needs to bear that in mind and carefully consider the possibility that disagreement or inconsistency might occur between projects before starting the project.

#### Question 2 (b)

(No comments)

#### Question 3

(a) Taking into account the ISSB’s limited capacity for new projects in its new two-year work plan, should the ISSB prioritise a single project in a concentrated effort to make significant progress on that, or should the ISSB work on more than one project and make more incremental progress on each of them?

(i) If a single project, which one should be prioritised? You may select from the four proposed projects in Appendix A or suggest another project.

(ii) If more than one project, which projects should be prioritised? What is the relative level of priority from highest to lowest priority? You may select from the four proposed projects in Appendix A or suggest another project.

- Biodiversity, ecosystems and ecosystem services
- Human capital
- Human rights
- Integration in reporting
- Others

#### Question 3 (a)

16. We will answer in comparison with the 3 criteria mentioned in the answer to question 2. First, when considering in comparison with criterion (1) the importance to investors, in terms of a company’s actions on sustainability in general as well as human capital and diversity of human resources as special topics, disclosure will be required in the annual securities report for the

fiscal years which will end after March 31, 2023. This implies that the interest of users of general purpose financial reports for these kinds of information are increasing to a certain extent.

17. Next, when considering in comparison with the criterion (4) how pervasive or acute the matter is likely to be for companies, the level of companies' efforts on each sustainability topic varies by company. In Japan, some companies take advanced measures on biodiversity while others focus on human rights. As mentioned in the opinion paper on IFRS S1 and IFRS S2 Exposure Drafts, the importance of sustainability topics is considered to be different by company or industry, as the source of company's competitiveness and business models are diverse.
18. Finally, when considering in comparison with the criterion (5) the interconnection between a potential project and other projects, project on biodiversity is considered to be a field which requires careful review based on the relationship with other topics including climate change, water and marine resources and circular economy before commencing the project.
19. Based on the above three points, the study group will not prioritise projects on the three sustainability topics mentioned in this Request for Information. On the other hand, the integration in reporting project is a foundational project for companies to show the process of value creation by combining information reported based on IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. The project is different from projects on sustainability topics in characteristics and of high importance as a premise to develop topical standards in the future. Therefore, we believe that it should be undertaken in parallel with sustainability-related financial disclosures implemented by companies based on IFRS S1 and IFRS S2. (Refer to the answer to Question 7 (a))
20. Taking into account that the ISSB's capacity for new projects is limited, we believe that the ISSB should start working on projects with higher priority after deciding priority using appropriate criteria (refer to the answer to Question 2 (a)) while demonstrating the overview of the set of IFRS Sustainability Disclosure Standards (refer to the answer to Question 1 (b)).

#### Question 4

(a) Of the subtopics identified in paragraph A11, to which would you give the highest priority? Please select as many as applicable. Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You may also suggest subtopics that have not been specified.

- A short description of the subtopic (and the associated sustainability-related risks and opportunities)
- Your view on the importance of the subtopic with regard to an entity's sustainability-related risks and opportunities and the usefulness of the related information to investors
  - ✓ Use of fresh water and seawater resources and ecosystems
  - ✓ Use of land and changes in use of land
  - ✓ Pollution (including discharge into air, water and soil)
  - ✓ Resources development (ex: procurement of materials, circular economy)
  - ✓ Invasive species
  - ✓ Others - write in detail

(b) Do you believe that sustainability-related risks and opportunities related to biodiversity, ecosystems and ecosystem services are substantially different across different business models, economic activities and other common features that characterise participation in a specific industry, or locations such that measures to understand performance on such sustainability-related risks and opportunities would need to be adjusted to be specific to the industry, sector or location to which they relate? (Yes/No)

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or locations.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to promptly expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A13 should be utilised and prioritised by the ISSB in pursuing the project? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You can suggest materials that are not specified. If so, please select "others" and write down the suggestions in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

#### Question 4 (a)

(No comments)

#### Question 4 (b)

(No comments)

#### Question 4 (c)

(No comments)

#### Question 5

(a) Of the subtopics identified in paragraph A22, to which would you give the highest priority? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You may also suggest subtopics that have not been specified.

To help the ISSB analyse the feedback, where possible, please provide:

- A short description of the subtopic (and the associated sustainability-related risks and opportunities)
- Your view on the importance of the subtopic with regard to an entity's sustainability-related risks and opportunities and the usefulness of the related information to investors
  - ✓ Worker wellbeing (including mental health and benefits)
  - ✓ DE&I
  - ✓ Employee engagement
  - ✓ Workforce investment
  - ✓ Alternative workforce
  - ✓ Labour conditions in the value chain
  - ✓ Workforce composition and costs
  - ✓ Others - write in detail

(b) Do you believe that sustainability-related risks and opportunities related to human capital are substantially different across different business models, economic activities and other common features that characterise participation in a specific industry, or locations such that measures to understand performance on such sustainability-related risks and opportunities would need to be adjusted to be specific to the industry, sector or location to which they relate? (Yes/No)

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or locations.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to promptly expedite the project, while taking into consideration the ISSB's focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A25 should be prioritised by the ISSB in pursuing the research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You can suggest materials that are not specified. If so, please select "others" and write down the suggestions in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

#### Question 5 (a)

(No comments)

#### Question 5 (b)

(No comments)

#### Question 5 (c)

(No comments)



Question 6

(a) Within the topic of human rights, are there particular subtopics or issues that you feel should be prioritised in the ISSB’s research? You can suggest as many subtopics or issues as you deem necessary. To help the ISSB analyse the feedback, where possible, please provide:

- A short description of the subtopic (and the associated sustainability-related risks and opportunities)
- Your view on the importance of the subtopic with regard to an entity’s sustainability-related risks and opportunities and the usefulness of the related information to investors

(b) Do you believe that sustainability-related risks and opportunities related to human rights are substantially different across different business models, economic activities and other common features that characterise participation in a specific industry, or locations such that measures to understand performance on such sustainability-related risks and opportunities would need to be adjusted to be specific to the industry, sector or location to which they relate? (Yes/No)

Please explain your reasoning and provide examples of how sustainability-related risks and opportunities related to this topic will either be (i) substantially different or (ii) substantially the same across different industries, sectors or locations.

(c) In executing this project, the ISSB could leverage and build upon the materials of the ISSB and other standard-setters and framework providers to promptly expedite the project, while taking into consideration the ISSB’s focus on meeting the needs of investors. Which of the materials or organisations referenced in paragraph A36 should be prioritised by the ISSB in pursuing its research? Please select as many as applicable.

Please explain your choices and the relative level of priority with particular reference to the information needs of investors. You can suggest materials that are not specified. If so, please select “others” and write down the suggestions in the comment box. You can suggest as many materials as you deem necessary.

To help the ISSB analyse the feedback, where possible, please explain why you think the materials are important to consider.

Question 6 (a)

(No comments)

Question 6 (b)

(No comments)

Question 6 (c)

(No comments)

#### Question 7

(a) The integration in reporting project could be intensive on the ISSB's resources. While this means it could hinder the pace at which the topical development standards are developed, it could also help maximise the value of the IFRS Foundation's suite of materials. How would you prioritise advancing the integration in reporting project in relation to the three sustainability-related topics (biodiversity, ecosystems and ecosystem services; human capital; and human rights) as part of the ISSB's new two-year work plan?

- Integration in reporting project is of higher priority.
- Integration in reporting project is of lower priority.

(b) In light of the coordination efforts required, if you think the integration in reporting project should be considered a priority, do you think that it should be advanced as a formal joint project with the IASB, or pursued as an ISSB project (which could still draw on input from the IASB as needed without being a formal joint project)? Please explain how you think this should be conducted and why.

- Formal joint project
- ISSB project

(c) In pursuing the project on integration in reporting, do you think the ISSB should utilise and incorporate the following concepts?

(i) The IASB's Exposure Draft "Management Commentary"

If you agree, please describe any particular concepts that you think the ISSB should incorporate. If you disagree, please explain why. (Yes/No)

(ii) Integrated Reporting Framework

If you agree, please describe any particular concepts that you think the ISSB should incorporate. If you disagree, please explain why. (Yes/No)

(iii) Other sources

If you agree, please describe the source(s) and any particular concepts that you think the ISSB should incorporate. If you disagree, please explain why. (Yes/No)

(d) Do you have any other suggestions for the ISSB if it pursues the project?

#### Question 7 (a)

21. The integration concept discussed in this project is a foundation for companies to demonstrate their process of value creation by combining information reported based on IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. As described in this Request for Information, the framework which this project will generate could help realise the full value of the IFRS Foundation's suite of materials.
22. Therefore, the project is of high importance as a premise to develop topical standards in the future. We believe that it should be conducted in parallel with sustainability-related financial disclosures implemented by companies based on IFRS S1 and IFRS S2. (Refer to the answer to Question 3 (a))

23. Although the Request for Information describes that pursuing the project could hinder the pace at which the topical standards are developed, we believe that we should hold discussions in an efficient manner by making full use of existing materials including the International Integrated Reporting Framework (hereinafter referred to as the IR Framework) developed by the International Integrated Reporting Council (IIRC) and the Exposure Draft: IFRS Practice Statement 1 *Management Commentary* (hereinafter referred to as the MC) published by the IASB. We acknowledge that the IR Framework and MC are frameworks which could cover major parts of information disclosure other than financial statements. We believe that we could indicate the system of the IFRS Foundation's suite of materials by integrating these. For details, please refer to the answers to Question 7 (c) and (d).

#### Question 7 (b)

24. As described in Question 7 (a), the project is to discuss frameworks in which companies make comprehensive reports on the process of value creation by combining information reported based on the IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. For that reason, the project should be pursued as a formal joint project with the ISSB and IASB. For details, please refer to the answer to Question 7 (d).

#### Question 7 (c)

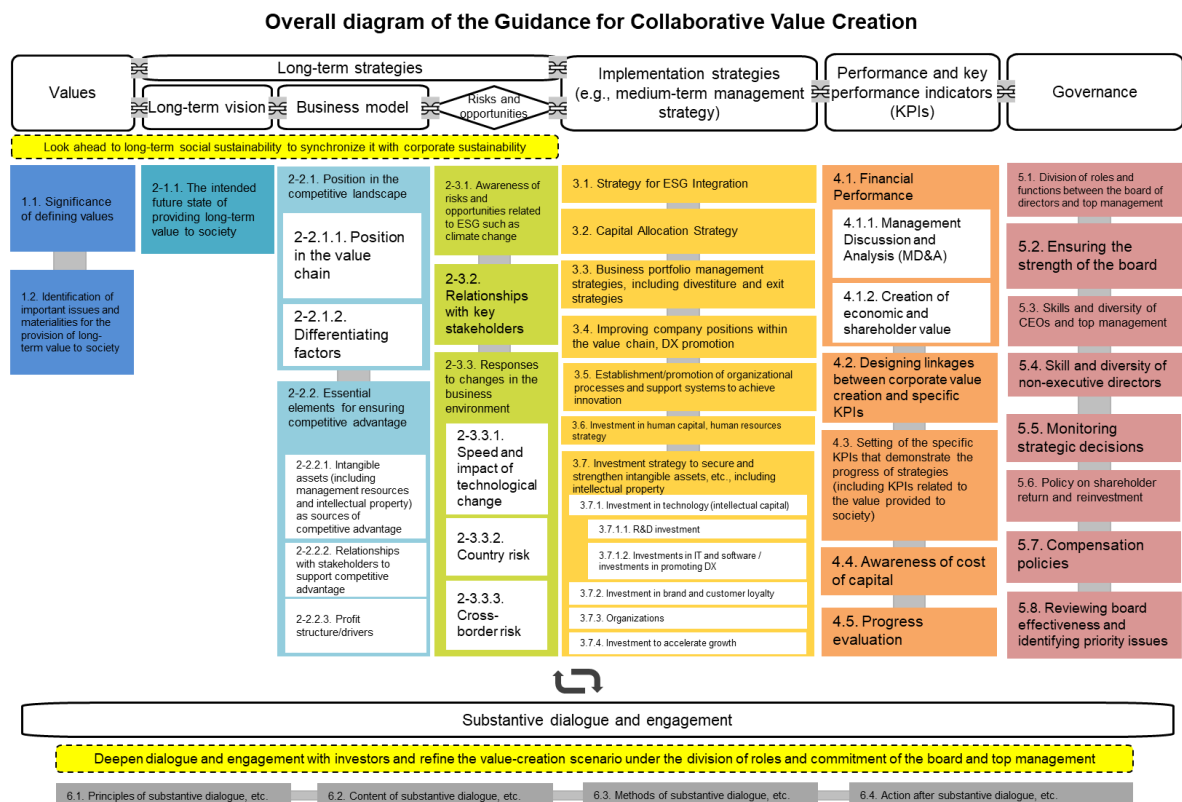
25. We believe that the project should be pursued based on the concepts of the IR Framework and MC. For details, please refer to the answer to Question 7 (d).
26. In Japan, efforts have been made toward reporting based on integrated thinking over the past 10 years or so, and more than 800 companies currently issue integrated reports. Many of the Japanese companies which develop integrated reports refer to the IR Framework and Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry (METI).
27. The Guidance for Collaborative Value Creation is a guide which summarises information to be disclosed to investors systematically and comprehensively in order to enhance the quality of information disclosure and dialogues with investors. Based on the discussion regarding the need for a common language between companies and investors to accelerate "collaborative value creation" that refines the value creation story through dialogues with investors, the first edition of the guidance was published in 2017 as a framework to promote high quality information disclosure and dialogues. In 2020, a study group of METI advocated Sustainability Transformation (SX) which synchronises social sustainability and corporate sustainability, refines the value creation story through constructive dialogues with investors, and enhances the resilience of corporate management with the aim of increasing corporate value in a long-term and sustainable manner while companies respond to changes in the external environment. Based on this, the Guidance for Collaborative Value Creation 2.0 was published in 2022 together with

the Ito Review 3.0 which summarises points of SX as a guide (framework) to utilise SX in management and dialogues.

28. The Guidance for Collaborative Value Creation has explained the importance of collaborative creation of a value creation story carried out by companies and investors through constructive and substantial dialogues for the purpose of providing long-term value towards the achievement of a sustainable society, which coincides with the direction of the project. Based on this, we suggest the ISSB to refer to the Guidance for Collaborative Value Creation 2.0 in pursuing the project.

*Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0*

([https://www.meti.go.jp/english/policy/economy/corporate\\_accounting/pdf/20221129\\_guidance.pdf](https://www.meti.go.jp/english/policy/economy/corporate_accounting/pdf/20221129_guidance.pdf))



29. We also suggest referring to the WICI Intangibles Reporting Framework published for the purpose of fostering and facilitating reporting on how organisations create and/or identify, manage, combine and utilize their unique intangibles. This focuses on intellectual capital which encompasses human capital, organisational capital, and the relational aspects of social and relationship capital in the six capitals of the IR Framework.

*WICI Intangible Reporting Framework*

([https://wici-global.com/index\\_ja/wp-content/uploads/2021/10/WIRF-ver01.pdf](https://wici-global.com/index_ja/wp-content/uploads/2021/10/WIRF-ver01.pdf))

#### Question 7 (d)

30. The study group believes that there are no specific issues in the contents of the current the IR Framework and MC. The IR Framework in particular is used widely around the world as a framework for comprehensive reporting on company value creation based on integrated thinking. We believe that it could be a useful foundation for the project on integration in reporting. Therefore, there is no need to develop a completely new guidance from scratch on the framework of corporate reporting in the project.
31. On the other hand, although both the IR Framework and MC have a similar objective of providing investors with insights to assessing a company's prospects, their approaches and definitions of terms are different. The study group suggests that the IASB and ISSB investigate similarities and differences between the IR Framework and MC, integrate the two documents and direct a framework for corporate reporting.
32. In the framework, as with IFRS Accounting Standards and IFRS Sustainability Disclosure Standards, it is important to make the objective of providing information that is useful to users of general purpose financial reports in making decisions clear, and companies which disclose information using the framework should be able to logically present information on the elements supporting the company's value creation. Elements such as business models and strategies of companies especially are not clearly defined in IFRS Accounting Standards and IFRS Sustainability Disclosure Standards despite the fact that they are directly linked to a company's value creation ability. For that reason, we believe that it is beneficial to indicate guidelines for the disclosure of these elements.
33. We also suggest that they clearly define the position of the framework in relation to IFRS Accounting Standards and IFRS Sustainability Disclosure Standards so that the preparers can understand the role and usage of the framework appropriately. We believe that, by doing so, companies will be able to understand how the concept of integration should be applied in corporate reporting and eventually provide users with comprehensive information on value creation.
34. As a link between financial information and sustainability-related financial information is a critical element in integration in reporting, we believe that it is desirable to make the project a joint project between the ISSB and the IASB. We are aware that feedback has been sent to the MC from all over the world and the project should be pursued by taking advantage of this feedback.
35. We fully understand the background of the ISSB's establishment and its responsibilities, and we do not believe that all arguments at the nodal points between financial information and sustainability-related financial information should be formal joint projects of both boards

without any conditions. For the time being, however, discussions that may lead to the integration of the IR Framework and MC or a partial review of these frameworks are necessary. We believe that pursuing these projects as joint projects of both boards will have a positive meaning in particular.

Question 8

Do you have any other comments on the ISSB's activities and work plan?

Question 8

36. As described in the answer to Question 1 (b), the study group believes that it is important to show the overview of the set of IFRS Sustainability Disclosure Standards, which is the ISSB's eventual goal, prior to the beginning of a new project. With the overview shown, the priority of new projects in the future can be considered from a wide viewpoint and the preparation by the preparers for the disclosure of related topics will be accelerated. Showing the overview of the set of standards is important also from the perspective of effective development of future standards.
37. As described in the answer to Question 7 (d), in integration in reporting project, it is important to make the objective of providing information that is useful for users of general purpose financial reports in making decisions clear, and through disclosure companies should be able to logically present information on the elements supporting the company's value creation. Normally, the value creation process of a company is diverse, and this diversity and originality are sources of company competitiveness. Based on this idea, when developing the ongoing IFRS Sustainability Disclosure Standards, we expect that a framework which shows a company's comprehensive capability of value creation will be established to prevent discussions on excessively detailed requirements.
38. As mentioned in the opinion paper to the IFRS S1 and IFRS S2 Exposure Drafts, in order to popularize IFRS Sustainability Disclosure Standards in global markets including emerging countries, those standards need to strike a good balance between inclusivity and normativity in relation to relevant systems and practices in diverse jurisdictions. From this point of view, we are concerned that corporate disclosures fall into a box-ticking type of disclosure in which the disclosed information is not linked to the business model or management strategy, and the disclosure of unique and essential information loses priority as the preparers are expected to meet excessively detailed disclosure requirements only as a matter of form. As a global baseline of sustainability disclosure standards, we hope the ISSB will develop standards which will lead to the appropriate evaluation of corporate value by investors and we will also continue to contribute to its work. Please feel free to contact us if you have any questions in regard to our statements.