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Sir,

It is an absolute privilege to be able to wish Your Royal Highness, Prince of Wales, the happiest 70th birthday.

On behalf of my fellow Japanese citizens, I would like to extend my sincere gratitude for A4S's work led by Your Royal Highness's vision and determination to build a sustainable environment along with sustainable societies.

I was first introduced to the work done by A4S when I started GPIF's campaign to promote Integrated Reporting as a way to improve Japanese corporations' ESG disclosure.

GPIF became a signatory of PRI and we started our journey to promote sustainability throughout our investment portfolio 3 years ago soon after I became CIO of the organization, which is the world's largest pension fund with USD 1.5 trillion.

Through my analysis of our investment strategy and business model, I found that some very important elements were missing. Our investment strategy and business model were based upon a conventional asset manager's. Investment performances were only measured by their outperformance to the market.

I found that this conventional business model didn't effectively serve the purpose of GPIF. GPIF was created to secure intergenerational equality. In other words, GPIF is a cross-generational investor and a universal owner who owns a very well diversified global portfolio. Given our current demographics, if we fail to manage this fund well and thus successfully bridge the intergenerational gap of contribution, our future generations will surely suffer. I am convinced that we should promote ESG to achieve the long-term sustainability of the capital markets as a whole rather than try to beat the market in order to deal with this impending issue.

However, initially I faced very strong opposition internally and externally. I sought some quotes from global leaders to support my thesis.

I can still recall vividly how astounded I was when I first read your speech for A4S. It was so forward looking and it came like a fresh breeze to my mind how Your Royal Highness, someone who is not a conventional voice in the finance industry, challenged business convention. I was so inspired by Your Royal Highness's speech that I decided to pursue an unconventional role model as the CIO of the public pension fund to truly represent a cross-generational investor.

Following the lead of the UK, several initiatives have been made in Japan over the last 5 years to make investors more responsible for the sustainability of the system and corporate executives more responsible for the ESG elements of their operations.

In particular, the stewardship code and the corporate governance code were introduced in 2014 and 2015 respectively and both were recently revised.

The original codes were carbon copies of the UK's stewardship code and corporate governance code. However, I take pride in our revised codes in which there are explicit references to ESG. We always have and will regard the UK as our teacher on this journey. However, I am proud to say that in certain aspects I feel that our codes may be further advanced.

Since the introduction of GPIF's ESG equity indices in which we have invested more than USD 13 billion, ESG has become a business buzzword in Japan. There have been more than 317 media articles on ESG since the beginning of this year.

We are about to launch a global environmental equity index with an impactful amount of money from our fund. We are hoping our peer global asset owners to join this investment.

Integrated reporting also got traction in Japan. Last year, 341 companies produced integrated reports and, according to GPIF's survey, more than 200 companies are planning to release their first IRs this year.

It was my true fortune, obviously not misfortune as Your Royal Highness so humbly suggested at the Finance Leaders Summit, to be invited to the dinner at St James's Palace last year. With Your Royal Highness's introduction I was able to meet Governor Carney at the table and since then we have been communicating regularly to discuss sustainability issues including TCFD.

I now serve on Japan's Prime Minister's Council to discuss Economic Growth Strategy to meet with the Paris Accord. In his opening remarks at the first gathering, PM Abe stated that more ESG disclosure by Japanese corporations would invite more ESG investments into Japan.

The seeds which Your Royal Highness planted years ago has finally started to flourish globally, even in a very distant country like Japan.

GPIF is committed to get rid of short-termism from investment chains we originate and to promote sustainability of the global capital markets that requires sustainability of the earth.

I am personally committed to playing a leadership role in implementing such strategies at GPIF and working with the Japanese government toward its chairmanship of G20 in 2019.

I am sure that Your Royal Highness will continue to be my source of inspiration and the UK will continue to take leadership in this journey.

Once again, it is with absolute privilege and delight that I express all my best wishes on Your Royal Highness's 70th birthday. I wish great health and prosperity for both Your Royal Highness and the UK.



Hiro Mizuno
Executive Managing Director and CIO