

## Welcome Remarks

*By Shunichi Suzuki, Minister of State for Financial Services  
at the “Transition to Net-Zero: The Role of Finance and Pathway toward  
Sustainable Future” on May 26, 2022 (Pre-recorded)*

- I am Shunichi Suzuki, Minister of State for Financial Services.
- Thank you so much for participating in the “Transition to Net Zero,” an international conference hosted by the Financial Services Agency, Japan.
- Focal points of this conference will be two areas: useful pathways for each industrial sector in the so-called “transition” namely steady transition to a decarbonized society for preventing the acceleration of climate change; and the roles of the private financial sector to support those transitions.
- “Climate change” is quite a memorable theme for me, as I was the Minister of the Environment in 2002, exactly 20 years ago from this year. I clearly remember that I was part of the earnest discussions towards having the Kyoto Protocol take effect. 20 years has passed since that time. The Paris Agreement took effect in 2016, which promoted international collaboration rapidly, and

response to climate change has become an imminent challenge around the globe.

- The Japanese government raised the flag of “Carbon Neutrality 2050” in 2020, and since then, we have been promoting the relevant measures energetically. Efforts for the “transition” are important towards the achievement of the goals set in the Paris Agreement. In the process, the roles of the financial industry in supporting the transition have been drawing particular attention. The importance of the so-called “transition finance” is now commonly shared in the international society such as G20.
- Since earlier, Japan has advocated the importance of transition. For instance, in May 2021, we, the JFSA released the “Basic Guidelines on Climate Transition Finance” together with the Ministry of Economy, Trade and Industry (METI), and the Ministry of the Environment. Thereafter, we have promoted various measures including the creation of “Sector-specific Roadmaps,” for hard-to-abate sectors, which have been formulated by the METI and the Ministry of Land, Infrastructure, Transport and Tourism for encouraging the transition in those sectors.

○ The JFSA is making efforts to contribute to the development of transition finance market jointly with the related ministries and agencies. In addition, the JFSA is promoting the measures for sustainable finance from the following three viewpoints, hoping to realize a sustainable society:

- ① First, enhancing corporate disclosure on climate-related information.
- ② Second, demonstrating financial and capital market function, and
- ③ Finally, ensuring support to investees and borrowers and proper management of climate-related risk by financial institutions.

In April 2022, JFSA released the draft version of “Supervisory Guidance on Climate-related Risk Management and Clients’ Engagement”, where proactively helping the clients promote the climate change response including transition is positioned as the core part of the efforts by financial institutions themselves for climate change. We will finalize this in June.

- Regarding transition finance, the activities led by the private sector are also quite vibrant in addition to the afore-mentioned efforts by the government. In order to achieve the Paris Agreement, discussions are in progress on such subjects as how to assess the credibility of transition plan, how to urge the technology innovation necessary for transition.
- One of such active private-sector initiatives is the Glasgow Financial Alliance for Net Zero, GFANZ. A pre-recorded dialogue between Mr. Mark Carney, United Nations Special Envoy on Climate Action and Finance, and also a Chairman of the GFANZ, and Mr. Hiromichi Mizuno, United Nations Special Envoy on Innovative Finance and Sustainable Investments regarding the transition finance, with an eye on the recent energy situation will kick start today's discussion.
- After the dialogue, Dr. Darian McBain, Chief Sustainability Officer at the Monetary Authority of Singapore, will deliver you a speech about the transition-related efforts in Asia and the roles of authorities.

- Then, panel discussions will follow on such subjects as the domestic and overseas efforts being made towards carbon neutrality, and credible transition pathways in the steel, aviation, power and financial sectors.
- In order to share these rich discussions covering a diverse range of subjects shared, we have invited key people from the financial circles, industry leaders and government agencies, domestic and overseas for today's event.
- To resolve the climate change, which is a global challenge, it is crucially important for all stakeholders to pursue cross-border collaboration. I hope this conference will be of some help to facilitate the international collaboration towards the realization of sustainable future.