

Overview of Sustainable Finance Initiatives (1)

Provisional Translation

Emerging importance of ESG Data such as those on climate change

Strengthening asset owner initiatives

Any challenges for asset owners in Japan compared to other countries

Asset owners



Investors



Providing funds



Social businesses



Companies



Capital investments



Green



Transition



Providing supports



Planning by, and dialogue between, finances and industries towards the transition to net-zero

ESG evaluation and data providers



Asset management companies



Market-wide cross-sectoral initiatives



Skilled professionals



Promoting skilled professionals

Impacts



Evaluating impacts

Climate-tech companies



Supporting innovators and startups

Emerging importance of technologies for carbon neutrality

Wide-spread needs for skilled professionals

Needs to pursue initiatives taking into account international discussions

Aggregating and visualizing ESG investment information

- Launching *JPX Information Platform* [Mid, 2022]
- JPX to further consider corporate data aggregation and a certification framework for the eligibility of ESG bonds.
- Publicizing a draft set of *Indicators to Measure Social Benefits of Social Bonds* [Mid, 2022]

Enhancing corporate disclosure

- Actively participating in discussion at the IFRS Foundation
- Proposing measures to enhance sustainability-related disclosure including climate change [Spring, 2022]

Promoting dialogue between banks and corporates

- Publishing a consultative document on guidance for financial institutions to address climate related opportunities and risks [April, 2022]
- Promoting financial institutions' dialogue with industries toward the transition to net-zero, supporting target-setting both by financial institutions and the industries

GX League: A forum for companies striving to achieve carbon neutral, where they enhance collaboration with government, academia, and financial institutions, with a view of future carbon credit markets. 440 companies have endorsed the league, which is envisioned to fully operate in 2023.

ESG rating and data providers ESG investment trusts

- Finalizing *Code of Conduct for ESG evaluation and data Providers* [Summer, 2022]
- Setting supervisory expectations for asset management companies that offer ESG investment trusts [May, 2022]

Overview of Sustainable Finance Initiatives (2)

January to March 2022

April-June

July to September

October to December

Disclosure

Encouraging companies listed on the Prime Market segment of the Tokyo Stock Exchange to enhance the quality and quantity of disclosure, based on TCFD or an equivalent international framework

Proposing measures to sustainability-related disclosure including climate change

Introducing legislation and supporting discussion at the SSBJ

Actively participating in the International Financial Reporting Standards (IFRS) Foundation's initiative to establish a framework for sustainability disclosures, including climate change

Market functions

Assets Owner

Revision of Green Bond Guideline, etc

ESG Investment information

JPX's interim report on its *Information Platform*

Launching JPX's Information Platform

JPX to further consider corporate data aggregation and a certification framework

ESG evaluation provider

The Technical Committee considering Codes of Conduct for ESG evaluation and data providers, as well as issues relating to companies and investors

Finalizing Code of Conduct for ESG evaluation and data Providers

Encouraging endorsement of the Code of Conduct

ESG investment trust

Conducting a survey on ESG investment trusts

Setting supervisory expectations for asset management companies

Following up on the status of initiatives at asset management companies

Social Bonds

Publicizing a draft set of *Indicators to Measure Social Benefits of Social Bonds*

Promoting the Social Bond Guidelines, including the set of *Indicators*

Financial institutions

ESG Regional Finance Promotion Program

Conducting and publishing a pilot exercise in climate-related scenario analysis

Discussing issues identified in the pilot exercise with FIs and consider revising the methodology and framework for scenario analysis.

Supporting Program for Financed Emission Measurement

Publishing a consultative document on guidance for financial institutions to address climate related opportunities and risks

Understanding financial institutions' climate related strategies and their implementation challenges through dialogue

In collaboration with *GX League*, promoting financial institutions' dialogue with industries toward the transition to net-zero, supporting target-setting both by financial institutions and the industries

Cross-sectoral initiatives

Transition

Roadmap by Sector

Elaborating and implementing the concept of the *GX League*

Carbon Credit Study Group

Quantitative models that quantify the roadmaps that can be used to set targets for net zero emissions

Professionals

Impact

Impact Investing Roundtable phase 1 (Basic ideas, etc.)

Impact Investing Roundtable phase 2 (Support for deepening practice through case studies for each asset class, etc.)

Tech