Oxford Climate Policy Monitor 2024 Survey

Jurisdiction Japan

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Policy Tool Name: The Financial Instruments and Exchange Law (Kinyu Shohin Torihiki Hou) and the Cabinet Office Order on Disclosure of Corporate Affairs (Kigyo Naiyo tou no Kaiji ni kansuru Naikaku Furei)

3. Source material link(s): (Japanese) https://web.archive.org/web/20240808005754/https://laws.egov.go.jp/document?lawid=323AC0000000025 https://web.archive.org/web/20240808011650/https://laws.egov.go.jp/document?lawid=348M50000040005 (English translation)* https://web.archive.org/web/20240808012039/https://www.japaneselawtranslation.go.jp/ja/laws/vie https://web.archive.org/web/20240808012341/https://www.japaneselawtranslation.go.jp/ja/laws/vie w/3384 * Please note that the translation of the Cabinet Office Order on Disclosure of Corporate Affairs has not been updated since 2017, and thus the amendment thereafter, including that introduced mandatory sustainability disclosure, is not yet incorporated in the published translation. 4. Which of the following governance domains does this policy tool relate to? Select all that apply. Climate-related disclosure ☐ Transition planning ☐ Public procurement 6. Select the category which best describes the author/issuer of the policy tool. ☐ Head of state and/or government ☐ Independent regulatory or supervisory body □ Legislature □ Judiciary Ministry/Department/Agency ☐ Other (Please describe) 7. Status of the policy tool

Approved, in force

o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2023</u>
10. Does the policy tool have an end date?
No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Cabinet Office Order of Disclosure of Corporate Affairs (the "Order") under the Financial Instruments and Exchange Law (the "Law") requires companies which are subject to continuous disclosure obligation under the Law (mainly, publicly listed companies in Japan) to disclose their sustainability-related information, including governance, risk management, material strategy, and material metrics and targets in their annual securities reports ("ASRs"). This requirement also applies to companies which conduct a public offering of securities in Japan, regardless of listing status in Japan.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. The Financial Services Agency (the "FSA") and the Securities and Exchange Surveillance Committee(the "SESC")
∘ 2.
○ 3.

o 4 .
o 5.
15. To provide contextual information, rate the capacity of The Financial Services Agency (the "FSA") and the Securities and Exchange Surveillance Committee(the "SESC") to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
 3- High Capacity (Please explain) In the case where an ASR of a reporting company includes any material misstatements, such a company may be subject to an administrative monetary penalty and/or a criminal penalty. The SESC is delegated to conduct investigation regarding cases concerning such penalties and is empowered to make a recommendation of an administrative monetary penalty to the FSA, and to issue an accusation regarding a criminal penalty to a prosecutor. The FSA has an authority to, in response to the forementioned recommendation by the SESC, make an order to pay such penalty. Prefer not to answer Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	✓		
entities			
2. Private companies			
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)	_		
10. Government			\checkmark
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			\checkmark
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

27.	Describe the thresh	old criteria to ider	itify entities fo	r whom or	instances in	which	compliance	is:
mai	ndatory.							

	Publicly-traded entities	Private companies
Minimum number of employees (Enter min number of full-time employees - FTEs)		
Minimum revenue (Enter minimum revenue)		
Minimum assets (Enter minimum assets)		
Minimum contract value (Enter minimum contract value)		
Entity is headquartered in the jurisdiction		
Entities are subjected to disclosure or reporting requirements	All of the publicly-traded entities, which are subject to continuous disclosure obligations under the Law, are required to include certain sustainability-related information in their ASRs.	Even private companies are required to include certain sustainability-related information in their ASRs, if such companies which are subject to continuous disclosure obligations under the Law.

	information in their ASRs.	disclosure obligations under the Law.
28. Can entities for whom compli comply or explain)?	ance with the policy tool is mand	atory opt out of the obligation (e.g.
No		
∘ Yes		
30. Does the policy tool exclusive entities' operations beyond the ju		rations, or does it also apply to
o Operations within jurisdiction o	nly	
Operations beyond the jurisdice	tion	
o Not applicable		

31. What are the specific obligations and conditions for entities' operations beyond the jurisdiction? Please reference the relevant section/subsection/paragraph of the policy tool.

Pursuant to Article 24 of the Law and Form 3 of the Order, operations of each reporting entity's group
as a whole, as well as its sustainability-related information thereof, whether domestic or not, must be
reported in their ASRs, as long as such entity is required to file an ASR.
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
Monetary fine In case of material misstatement, the greater of (i) six million yen or (ii) the amount calculated by (a) the total market value of certain securities issued by the company as calculated, pursuant to the provisions of the Order, multiplied by (b)six hundred thousandths.
□ Restriction on business activities
□ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
Criminal penalties In case of material misstatement, imprisonment for not more than ten years, a fine of not more than ten million yen, or both.
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer

35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
• No (If relevant, explain) To the extent of our knowledge, no monetary administrative penalty or criminal penalty has been enforced with regard to the sustainability disclosure.
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant
section/subsection/paragraph of the policy tool where monitoring systems are set.
The SESC and the FSA regularly monitor how the entities subject to continuous disclosure obligations under the Law describe sustainability-related information in there ASRs.
41. Does the policy tool recommend or require periodic impact assessments?
No No
○ Recommended
○ Required

43. Does the policy tool recommend or require periodic reviews?
No No
 Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
● No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The FSA publishes "Good Practices of Disclosure" on a regular basis in order to encourage better
disclosure and enhance reporting entities' capacity for it.
Recently, the FSA published an updated "Good Practices of Disclosure" including examples of good
sustainability-related disclosure (see: https://web.archive.org/web/20240814025707/https://www.fsa.go.jp/news/r5/singi/20231227.html) on 27 December 2023.

Domain-Specific Questions: Disclosure Questions	
What is being disclosed?	

52. Are targeted entities recommended or require	ed to disclose any of the following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended	
4.6			nor required	
1. Greenhouse gas (GHG) emissions	✓			
2. GHG emissions				
offsets or removals				
3. GHG emissions	\checkmark			
reduction targets				
4. Other climate-				
related targets	✓			
5. Physical climate risk 6. Transition risk	⊘			
7. Transition plan				
7. Hansidon plan		Ц		
54. Which GHG emission	s must be disclosed? S	Select all that apply.		
□ Carbon dioxide (CO2)				
□ Methane (CH4)				
□ Nitrous oxide (N2O)				
☐ Hydrofluorocarbons (H	FCs)			
□ Perfluorocarbons (PFC	s)			
□ Sulphur hexafluoride (S	SF6)			
□ Nitrogen trifluoride (NF3)				
□ Carbon dioxide equivalent (CO2e)				
55. Are entities recommended or required to disclose gross emissions?				
No				
o Recommended				
o Required				

EC Are entities recommended or required to displace not emissions?					
56. Are entities recommended or required to disclose net emissions?					
No Page removed and Page removed a					
Recommended					
o Required					
57. What Scope of emissions must be disclosed? Select all that apply.					
Scope 1 emissions					
Scope 2 emissions					
☐ Scope 3 emissions, relevant or material					
□ Scope 3 emissions, a specified proportion of coverage (Please describe)					
□ Scope 3 emissions, all					
□ Not specified					
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?					
GHG emissions					
59. Does the policy tool recommend or require the GHG inventory be third-party verified?					
No					
○ Recommended					
o Required					
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.					

Although GHG emission disclosure is not specifically required under the Order, "Annex to the Principle					
regarding Descriptive Disclosure – with regard to Disclosure of Sustainability Information" published					
by the FSA refers to GHG emissions (especially, Scopes 1 and 2) and recommends that each					
reporting company proactively disclose them in its ASR, without specifying recommendation about					
disclosure items (including categories of GHG), measures or formats.					
Disclosure of Greenhouse Gas (GHG) Offsets or Removals					
62. Does the policy tool recommend or require offsetting purchases be disclosed?					
oz. Does the policy toorrecommend or require onsetting purchases be disclosed:					
No No					
Recommended (Please describe and reference the relevant section/subsection/paragraph of the					
policy tool)					
policy tooly					
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy					
tool)					
63. Does the policy tool recommend or require entities disclose whether offsets are verified?					
No No					
Recommended (Please describe and reference the relevant section/subsection/paragraph of the					
policy tool)					
Required (Please describe and reference the relevant section/subsection/paragraph of the policy					
tool)					
64. Does the policy tool recommend or require any certification standards for the use of GHG					
offsetting or removals?					
No No					
• Recommended (Please list the certification standards, describe their use, and reference the relevant					
section/subsection/paragraph of the policy tool)					
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy					
tool)					

65. Does the policy tool include any other recommendations or requirements regarding the appropriate use of offsets?
No No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
Disclosure of Greenhouse Gas (GHG) Emissions Reduction Targets

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

	T		1 .	
	Recommended	Required	Neither recommended nor required	
An absolute emissions	✓			
reduction target				
An intensity-based				
emissions reduction				
target				
A net zero target			✓	
Targets covering non-				
carbon GHG emissions				
A Scope 3 emissions				
target				
A target derived using				
a sectoral				
decarbonization				
approach				
Interim targets				
A target timeframe				
(e.g. by 2040)				
A baseline year from				
which progress is				
measured				
A level of ambition for				
emissions reductions				
(e.g. 80% reduction)				
68. Does the policy tool re	ecommend or require enti	ties to disclose their progr	ess in achieving their	
emissions reductions targ	gets?			
No				
 Recommended 				
 Required 				
70. Does the policy tool recommend or require a scope of emissions which should be covered by the absolute emissions reduction target? Select all that apply.				
Scope 1 emissions				

Scope 2 emissions

 \square Scope 3 emissions (relevant or material)

□ Scope 3 emissions (a specified proportion of coverage)						
☐ Scope 3 emissions (all)						
□ Not specified						
Disclosure of other climate-related targets						
84. Which of the following other climate-related targets does the policy tool recommend or require entities disclose? Select all that apply.						
☐ Targets for renewable energy procurement (Please reference the section/subsection/paragraph of the policy tool relevant to renewable energy procurement targets)						
☐ Targets for fossil fuel phase down/phase out (Please reference the section/subsection/paragraph of the policy tool relevant to fossil fuel phase down/phase out)						
☐ Targets or goals related to climate adaptation (Please reference the section/subsection/paragraph of the policy tool relevant to climate adaptation)						
☐ Targets or goals related to nature and/or biodiversity (Please reference the section/subsection/paragraph of the policy tool relevant to nature and/or biodiversity)						
☐ Targets or goals related to just transition (Please reference the section/subsection/paragraph of the policy tool relevant to just transition)						
□ Other targets (Please reference the section/subsection/paragraph of the policy tool relevant to other targets)						
Disclosure of Physical Risk						
86. What types of physical risk must be disclosed?						
✓ To company						
☐ To society (double materiality)						

87. What is the materiality standard for the disclosure of physical risk?					
Self-assessed material risk					
o Externally-defined material risk					
o Other (Describe)					
88. Are entities recommended or required to disclose the results of climate risk-related stress tests that are related to physical climate risk?					
○ No					
Recommended					
o Required					
89. Are entities recommended or required to disclose their methodology for scenario analysis with relation to physical risk?					
∘ No					
Recommended					
o Required					
90. Are risk assessments of physical risk recommended or required to be third-party verified?					
No No					
∘ Recommended					
o Required					
Disclosure of Transition Risk					

92. What types of transition risk must be disclosed? Select all that apply

Risks that societal transitions may pose to the disclosing entity
☐ Risks that the disclosing entity's transition may pose to society (double materiality)
93. What is the materiality standard for the disclosure of transition risk?
Self-assessed material risk
o Externally-defined material risk
o Other (Describe)
94. Are entities recommended or required to disclose the results of climate-related risk stress tests that are related to transition risk?
○ No
Recommended
o Required
95. Are transition risk assessments recommended or required to be third-party verified?
No
○ Recommended
o Required
96. Are entities recommended or required to disclose their methodology for scenario analysis related to transition risk?
○ No
Recommended
○ Required

Other disclosures			

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related	✓		
opportunities			
2. Remuneration			
based on achieving			
climate-related goals			
3. Taxonomies			>
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
6. Assumptions and			✓
Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial			\checkmark
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			✓
9. Stewardship (e.g., whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			
ownership in the			
context of climate			
change 12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			\checkmark
emissions or			
information on			

	long lifespans						
	15. Dirty asset divestiture						
	16. Nature-related impacts			\checkmark			
	17. Just transition indicators			>			
	106. Is third-party verifico	ation of climate-related op	pportunities recommended	d or required?			
(● No						
(○ Recommended						
(○ Required						
•	Standards, Frameworks,	and Guidelines					

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			\checkmark
2. IFRS S2			\checkmark
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other		✓	

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126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.
The Principle recommend that, in the case a reporting company made sustainability-related disclosure in its ASR pursuant to TCFD or other internationally-accepted disclosure frameworks, the name of the framework applied be referred to in its ASR., See: https://web.archive.org/web/20240814024956/https://www.fsa.go.jp/news/r4/sonota/20230131/07.pdf
Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: The Corporate Governance Code

Approved, in force

3. Source material link(s): (Japanese) https://web.archive.org/web/20240801130155/https://www.jpx.co.jp/equities/listing/cg/tvdivg000000 8jdy-att/nlsgeu000005lnul.pdf (English) https://web.archive.org/web/20240213145445/https://www.jpx.co.jp/english/news/1020/b5b4pj0000 046kxj-att/b5b4pj0000046l07.pdf * Please also see the Securities Listing Regulations of Tokyo Stock Exchange Inc., which requires listed companies to comply or explain the reason of non-compliance with the Corporate Governance Code by its Article 436-3. (Japanese) https://web.archive.org/web/20240805080015/https://jpxgr.info/rule/tosho_regu_201305070007001.html (English) https://web.archive.org/web/20240801142806/https://www.jpx.co.jp/english/rulesparticipants/rules/regulations/tvdivg0000001vyt-att/listing_regs_20240329.pdf 4. Which of the following governance domains does this policy tool relate to? Select all that apply. Climate-related disclosure ☐ Transition planning ☐ Public procurement 6. Select the category which best describes the author/issuer of the policy tool. ☐ Head of state and/or government ☐ Independent regulatory or supervisory body ☐ Legislature □ Judiciary ☐ Ministry/Department/Agency Other (Please describe) Stock exchange 7. Status of the policy tool

o Approved, not yet in force				
o Other (Please describe)				
9. Year of (planned) entry into force or year of publication				
<u>2021</u>				
10. Does the policy tool have an end date?				
No No				
∘ Yes				
12. Briefly describe the policy tool's goal and/or purpose:				
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the				
absence of such disclosures.				
According to the Corporate Governance Code (the "Code") established by the Tokyo Stock Exchange,				
Inc. (the "TSE"), "corporate governance" means a structure for transparent, fair, timely and decisive				
decision-making by companies, with due attention to the needs and perspectives of shareholders and				
also customers, employees and local communities. The Code establishes fundamental principles for effective corporate governance at listed companies in Japan. It is expected that the Code's				
appropriate implementation will contribute to the development and success of companies, investors				
and the Japanese economy as a whole through individual companies' self-motivated actions so as to				
achieve sustainable growth and increase corporate value over the mid- to long-term. Regarding				
sustainability, the Code requires listed companies to comply with certain sustainability-related				
recommendation, including sustainability-related disclosure.				
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not				
applicable, leave blank.				

● 1. Tokyo Stock Exchange, Inc.

∘ 2.

o 3.
o 4.
o 5.
15. To provide contextual information, rate the capacity of Tokyo Stock Exchange, Inc. to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
• 1- Low Capacity (Please explain) The TSE has an authority to take certain measures including public announcement of the name of companies which did not follow the Code.
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded	✓		
entities			
2. Private companies			\checkmark
3. Financial institutions			\checkmark
4. Small and medium-			
sized enterprises			
5. State-owned			\checkmark
companies			
6. Not-for-profit			\checkmark
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			✓
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)		_	
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

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27. E	Describe the threshold	criteria to identi	fy entities for	whom or	instances ir	n which	complianc	e is
man	datory.							

	Publicly-traded entities			
Minimum number of employees (Enter min				
number of full-time employees - FTEs)				
Minimum revenue (Enter minimum revenue)				
Minimum assets (Enter minimum assets)				
Minimum contract value (Enter minimum				
contract value)				
Entity is headquartered in the jurisdiction				
Entities are subjected to disclosure or reporting	All of the listed companies are subject to the			
requirements	comply-or-explain requirement under the Code.			
28. Can entities for whom compliance with the policomply or explain)?	icy tool is mandatory opt out of the obligation (e.g.			
∘ No				
Yes				
29. Describe the available opt-out provisions (e.g. "comply or explain"), referencing the relevant section/subsection/paragraph of the policy tool.				
Comply or explain. See Article 436-3 of the Securities Listing Regulations of the TSE.				
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?				
o Operations within jurisdiction only				
o Operations beyond the jurisdiction				
Not applicable				

- 32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
- Monetary fine In case of neither comply nor explain: monetary fine named "Listing Agreement Violation Penalty," the amount of which shall be determined as set out in the table under the Enforcement Rules for Securities Listing Regulations of the TSE (9.6-91.2 million yen)

☐ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other In case of neither compliance nor explain: Public announcement of the violation and designation as "Securities on Special Alert," which may lead securities to being delisted after one-year cure period if a sound internal governance system is not establish and managed appropriately.
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer

37. Have the climate-specific provisions in this instrument ever been enforced?				
No (If relevant, explain) To the extent of our knowledge, no penalty has been enforced with regard to a failure to comply with the Code or explain the reason of non-compliance.				
∘ Yes				
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?				
∘ No				
Yes				
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.				
The TSE regularly monitors the corporate governance reports submitted by all listed companies. See Article 504 to 509 of the Securities Listing Regulations of the TSE				
41. Does the policy tool recommend or require periodic impact assessments?				
∘ No				
∘ Recommended				
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.				
● 0-2 years				
o 2-5 years				
o 5-10 years				

o 10 or more years
○ Not specified
o Other
43. Does the policy tool recommend or require periodic reviews?
o No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years
o 2-5 years
o 5-10 years
○ 10 or more years
○ Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?

∘ No
Yes
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The TSE publishes "Status of Compliance with the Corporate Governance Code" on an annual basis and "Good Practices of Disclosure regarding Corporate Governance" in 2019, to encourage listed companies to comply with the Code. See: https://www.jpx.co.jp/equities/listing/cg/).

Domain-Specific Questions: Disclosure Questions	
What is being disclosed?	

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended nor required
1. Greenhouse gas (GHG) emissions			>
2. GHG emissions offsets or removals			\
3. GHG emissions reduction targets			>
4. Other climate- related targets			>
5. Physical climate risk			\checkmark
6. Transition risk			✓
7. Transition plan			\checkmark
Other disclosures			

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related opportunities		Ø	
2. Remuneration			✓
based on achieving			
climate-related goals			
3. Taxonomies			\checkmark
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
6. Assumptions and			✓
Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial		\checkmark	
implications of			
climate-related			
matters (e.g., integration of climate-			
related disclosures			
into financial			
accounting standards)			
9. Stewardship (e.g.,			\checkmark
whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings, etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			
ownership in the			
context of climate change			
12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			
emissions or			
information on			

emissive assets with				
long lifespans 15. Dirty asset			✓	
divestiture				
16. Nature-related				
impacts				
17. Just transition indicators				
106. Is third-party verification	ation of climate-related op	portunities recommended	d or required?	
No				
o Recommended				
o Required				
113. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosures regarding the financial implications of climate-related matters. The Code recommend that the boards of listed companies recognise sustainability issues having impacts on earning opportunities and the companies appropriately disclose their initiatives on sustainability when disclosing their management strategies. In particular, companies listed on the Prime Market of the TSE should collect and analyse the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework. See Supplementary Principle 2.3.1 and 3.1.3 of the Code. Standards, Frameworks, and Guidelines				

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			✓
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			✓
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other		✓	

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed. The Code recommend that companies listed on the Prime Market of the TSE collect and analyse the necessary data on the impact of climate change-related risks and earning opportunities on their business activities and profits, and enhance the quality and quantity of disclosure based on the TCFD recommendations, which are an internationally well-established disclosure framework, or an equivalent framework. See Supplementary Principle 2.3.1 and 3.1.3 of the Code. See: https://web.archive.org/web/20240801142903/https://www.jpx.co.jp/english/equities/listing/cg/tvdivg 0000008jdy-att/20210611.pdf **Additional Important Information** 128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material. **Additional Important Information** 197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

None

Policy Tool Name: The Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. (Kinyu Shohin Torihiki Gyosha tou muke no Sogo teki na Kantoku Shishin)

,					
3. Source material link(s): (Whole text) https://web.archive.org/web/20240814063349/https://www.fsa.go.jp/common/law/guide/kinyushohin_eng.pdf					
(Excerption of relevant text)					
https://web.archive.org/web/20240806005835/https://www.fsa.go.jp/news/r4/shouken/20230331-2/03.pdf					
4. Which of the following governance domains does this policy tool relate to? Select all that apply.					
Climate-related disclosure					
☐ Transition planning					
☐ Public procurement					
6. Select the category which best describes the author/issuer of the policy tool.					
☐ Head of state and/or government					
☐ Independent regulatory or supervisory body					
□ Legislature					
✓ Ministry/Department/Agency					
☐ Other (Please describe)					
7. Status of the policy tool					
Approved, in force					
o Approved, not yet in force					
o Other (Please describe)					
9. Year of (planned) entry into force or year of publication					

<u>2023</u>
10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc. (the "Guidelines) were amended in 2023 to specify certain points for the supervisor (i.e., the Financial Services Agency of Japan) to check the disclosure on publicly offered ESG-related investment trusts, and the organisational resources and due diligence of asset managers regarding ESG, so that Investment Management Business Operators which deal with ESG-related investment funds would be encouraged to disclose certain ESG-related information in the prospectus or investment report.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
○ 2.
○ 3.
o 4.
o 5.
15. To provide contextual information, rate the capacity of The Financial Services Agency to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)

- o 1- Low Capacity (Please explain)
- o 2- Medium Capacity (Please explain)
- 3- High Capacity (Please explain) The FSA has an authority to supervise "Financial Instruments Business Operators, etc.," which are registered entities conducting "Financial Instruments Business" such as securities business, financial futures trading, mortgage securities business, commodity investment business, beneficiary right sales, investment advisory business, discretionary investment management business, investment trust management business, and investment corporation asset management business.

o Prefer not to answer		
o Not Applicable		

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			✓
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-			✓
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			✓
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city) 11. Government			✓
agencies and/or			
departments			
(unspecified)			✓
12. Sectoral actors			
(e.g., healthcare, defense, utilities,			
education)			
,			
13. Other			

27. E	Describe the threshold	criteria to identi	fy entities for	whom or	instances ir	n which	complianc	e is
man	datory.							

	Financial institutions
Minimum number of employees (Enter min	
number of full-time employees - FTEs)	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting	All "Investment Management Business
requirements	Operators" registered in Japan are subject to
	this policy tool.

Trainber of fall time employees if iEsp	
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum	
contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting	All "Investment Management Business
requirements	Operators" registered in Japan are subject to
·	this policy tool.
28. Can entities for whom compliance with the policomply or explain)?	icy tool is mandatory opt out of the obligation (e.g.
No No	
∘ Yes	
30. Does the policy tool exclusively apply to entities entities' operations beyond the jurisdiction? Operations within jurisdiction only Operations beyond the jurisdiction Not applicable	s' domestic operations, or does it also apply to
31. What are the specific obligations and condition Please reference the relevant section/subsection/polin general, the Financial Instruments and Exchange thereunder are applicable to operations by the region operators registered in Japan even beyond Japan sections.	aragraph of the policy tool. e Law of Japan (the "FIEL") and regulations istered Investment Management Business

32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.

☐ Monetary fine
Restriction on business activities <u>Business improvement order or business suspension order</u> <u>pursuant to the FIEL</u>
□ Voiding or setting aside of contract
□ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
• Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
o Above average
o Not applicable
● Unknown or prefer not to answer

37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain) To the extent of our knowledge, no penalty or administrative order has been enforced with regard to climate-related disclosure under the revised Guideline.
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
○ No
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The FSA has an authority to monitor and supervise Investment Management Business Operators on a regular basis under the FIEL.
41. Does the policy tool recommend or require periodic impact assessments?
● No
• Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
No
○ Recommended
○ Required

45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
∘ Yes

Domain-Specific Questions: Disclosure Questions
What is being disclosed?

52. Are targeted entities recommended or required to disclose any of the following climate-related information? Select all that apply.

	Recommended	Required	Neither recommended
			nor required
 Greenhouse gas (GHG) emissions 			
2. GHG emissions			\checkmark
offsets or removals			
3. GHG emissions			\checkmark
reduction targets			
4. Other climate-		✓	
related targets			
5. Physical climate risk			\checkmark
6. Transition risk			\checkmark
7. Transition plan			✓
Disclosure of other clima	te-related targets		
entities disclose? Select a	ll that apply. energy procurement (Ple	ease reference the s	licy tool recommend or require
□ Targets for fossil fuel p the policy tool relevant to	•		e section/subsection/paragraph of
□ Targets or goals relate of the policy tool relevant	•	(Please reference th	ne section/subsection/paragraph
□ Targets or goals relate section/subsection/parag			
□ Targets or goals relate policy tool relevant to just	•	se reference the sec	ction/subsection/paragraph of the
other targets <u>) Regarding</u> impact in order to build a sustainable societ	an ESG investment trust y, target indicators and	that aims to create	of the policy tool relevant to e environmental or/and social ne extent of the impact achieved ort, respectively. See VI-2-3-5
(3)(ii)D of the Guidelines.			

Other disclosu	res		

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related			✓ V
opportunities			
2. Remuneration based on achieving			\checkmark
climate-related goals			
3. Taxonomies			✓
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change)			
5. Due diligence			✓
6. Assumptions and			✓
Dependencies			
7. Data limitations of			lacksquare
scenario analyses			
8. Financial			
implications of			
climate-related			
matters (e.g.,			
integration of climate- related disclosures			
into financial			
accounting standards)			
9. Stewardship (e.g.,	✓		
whether stewardship			
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG	✓		
methodologies and			
criteria (in the case of			
service providers) 11. Asset planning or			✓
ownership in the		[_]	
context of climate			
change			
12. Sectoral			✓
investment policies			
13. Climate-related			\checkmark
lobbying and/or policy			
engagement			
14. Locked-in			\checkmark
emissions or			
information on			

emissive assets with long lifespans			
15. Dirty asset			\checkmark
divestiture			
16. Nature-related impacts			
17. Just transition			✓
indicators			
The Guidelines require for ESG investment trusts ha ESG factors out of its net	ture plans disclosures. Investment Managemen ve a target ratio of its inve asset value (and if not, th	n/paragraph of the policy to t Business Operators to disestment asset that are selse reason it doesn't have some treport. See VI-2-3-5(3)(iii	sclose whether relevant ected by the use of key uch ratio) in the
Guidelines.			
114. Describe and referer stewardship-related disc		n/paragraph of the policy t	ool relevant to
The Guidelines require the	at Investment Manageme	nt Business Operators dis	close in the prospectus
and the investment repor	t the action taken in acco	rdance with the stewards	nip policy where an
investment trust manage	ment company has one re	elated to key ESG factors.	See VI-2-3-5(3)(ii) D and
(v)D of the Guidelines.			
115. Describe and referer related disclosures.	nce the section/subsection	n/paragraph of the policy t	ool relevant to ESG-
		ent trust seeks to track a s	
_	·	ain how ESG factors are in	•
		rust company has chosen	the index in the
prospectus. See VI-2-3-5	<u>ωχίνη οι της σαιασίπες.</u>		

122. Describe and reference the section/subsection/paragraph of the policy tool relevant to disclosure

of nature-related impacts.

The Guidelines require that Investment Management Business Operator disclose the extent of the
ESG-related impact achieved in the investment report. See VI-2-3-5(3)(v)C of the Guidelines.
Standards, Frameworks, and Guidelines

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
1. IFRS S1			referenced
2. IFRS S2			
3. Task Force on			
Climate-related			
Financial Disclosures			
(TCFD)			
4. GHG Protocol			
Corporate Accounting			
and Reporting			
Standard			
5. GHG Protocol			
Corporate Value Chain			
(Scope 3) Accounting			
and Reporting			
Standard			✓
6. CDP (formerly known as Climate			
Disclosure Project)			
reporting framework			
7. International			
Integrated Reporting			
Framework			
8. Global Reporting			\checkmark
Initiative (GRI)			
9. Sustainability			✓
Accounting Standards			
Board (SASB)			
10. European			
Sustainability			
Reporting Standards			
(ESRS)			
11. Taskforce on Nature-related			
Financial Disclosures			
(TNFD)			
12. Partnership for			V
Carbon Accounting			
Financials (PCAF)			
13. Glasgow Financial			
Alliance for Net Zero			
(GFANZ)			
14. Other		✓	

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.
No specific standard/framework/guideline is referred.
Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
<u>None</u>

Policy Tool Name: The Act on Promotion of Global Warming Countermeasures (Chikyu Ondanka Taisaku no Suishin ni kansuru horitsu)

3. Source material link(s): (Japanese) https://web.archive.org/web/20240814081811/https://laws.e-gov.go.jp/law/410AC000000117 (English translation) https://web.archive.org/save/https://www.japaneselawtranslation.go.jp/en/laws/view/4479
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
Climate-related disclosure
✓ Transition planning
□ Public procurement
5. If relevant, briefly explain how the policy tool applies or is linked to multiple domains.
The Act on Promotion of Global Warming Countermeasures (the "Act") obliges (i) business operators to report their GHG emissions to the Government and (ii) the Government and local authorities to formulate transition plans. In addition, the Act requires that the government and local authorities or business operators endeavor to promote measures to reduce GHG emissions, or prepare and publish a plan on GHG emission reductions and announce the implementation status and emission reductions, respectively. In the following, the reporting of GHG emissions by business operators is referred to as "Climate-related disclosure", and the preparation of transition plans by the Governmentand local authorities is referred to as "Transition planning".
6. Select the category which best describes the author/issuer of the policy tool. ✓ Head of state and/or government □ Independent regulatory or supervisory body □ Legislature □ Judiciary
☐ Ministry/Department/Agency
□ Other (Please describe)

7. Status of the policy tool
Approved, in force
o Approved, not yet in force
o Other (Please describe)
9. Year of (planned) entry into force or year of publication
<u>2006</u>
10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the
recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The purpose if the Act is to promote global warming countermeasures through formulating a plan for
global warming countermeasures and taking measures to promote the GHG emission reduction by
the Government and imposing business operators to report their GHG emissions.
12. Name the authority/ice) responsible for everseeing implementation and/or enforcement if not
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
o 2.
o 3.
o 4 .
o 5.

15. To provide contextual information, rate the capacity of Ministry of the Environment to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
• 1- Low Capacity (Please explain) The Ministry of the Environment is the ministry responsible for environmental matters in general.
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-	✓		
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit	✓		
organizations			
7. Government			\
agencies and/or			
departments			
(supranational)			
8. Government	✓		
agencies and/or			
departments (national)	✓		
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan region)			
10. Government	✓		
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			✓
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			\checkmark
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			✓

27. Describe the threshold criteria to identify entities for whom or instances in which compliance is mandatory.

	Publicly- traded entities	Private companie s	Financial institution s	Small and medium- sized enterprise	State- owned companie s	Not-for- profit organization s
Minimum number of employees (Enter min number of full-time employees - FTEs) Minimum				S		
revenue (Enter minimum revenue)						
Minimum assets (Enter minimum assets)						
Minimum contract value (Enter minimum contract value)						
Entity is headquartere d in the jurisdiction						
Entities are subjected to disclosure or reporting requirements	A company which falls in either the "Specified Facility-related Generator" or the "Specified Transport-related Generator" is required to file a report. The "Specified Facility-related	Same	Same	Same	Same	Same

	Generator" is			
	a company			
	which emits			
	(i) CO2			
	generated by			
	energy			
	consumption			
	equivalent to			
	1,500 kiloliter			
	or more of			
	crude oil or (ii)			
	CO2			
	generated by			
	non-energy			
	consumption,			
	CH4, N2O,			
	HFC, PFC,			
	SF6 or NF3			
	equivalent to			
	3,000 t-CO2			
	or more,			
	within a year			
	from all			
	business			
	facilities of			
	such			
	company in			
	Japan. The			
	"Specified			
	Transport-			
	related			
	Generator" is			
	a company (i)			
	which			
	transports its			
	own or			
	others' freight			
	in Japan with			
	certain			
	designated			
	amount of			
	transportatio			
	n capability			
	or (ii) whose			
	volume of			
	freight			
	transportatio			
	n consigned			
	to freight			
	carriers for a			
	year is 30			
L	, ca. 13 30			

	million ton kilometer or					
	more.	<u> </u>				
28. Can entities for comply or explain		ance with the	policy tool is	mandatory o	pt out of the	obligation (e.g.
No						
∘ Yes						
30. Does the police entities' operation	-		tities' domest	ic operations	, or does it als	so apply to
Operations wit	hin jurisdiction o	only				
o Operations bey	ond the jurisdict	ion				
o Not applicable						
32. What are the	sanctions for no	n-complianc	e? Select all th	nat apply and	l describe in t	he text field.
Monetary fine_		-	en for the fail	lure to submit	a report or t	he submission
of a false report b	oy a business op	<u>erator</u>				
☐ Restriction on I	business activitie	es				
☐ Voiding or sett	ing aside of cont	ract				
☐ Exclusion from	government cor	ntracts				
☐ Award of dame	ages or compens	sation				
☐ Penalty for sen	ior managers					
☐ Criminal penal	ties					
\square Not specified						
☐ Not applicable (e.g. in cases of voluntary tools)						
☐ Other						

33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
Above average
o Not applicable
Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
• No (If relevant, explain) We confirmed with the Ministry of Environment on 8 August 2024.
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
No
∘ Yes

41. Does the policy tool recommend or require periodic impact assessments?
No No
o Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
No No
○ Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No
o Yes

Domain-Specific Questions: Disclosure Questions
What is being disclosed?

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended nor required
1. Greenhouse gas		✓	
(GHG) emissions			
2. GHG emissions offsets or removals			
3. GHG emissions			~
reduction targets			
4. Other climate- related targets			\checkmark
5. Physical climate risk			\checkmark
6. Transition risk			✓
7. Transition plan			V
54. Which GHG emissions Carbon dioxide (CO ₂) Methane (CH ₄) Nitrous oxide (N ₂ O) Hydrofluorocarbons (H	IFCs)	elect all that apply.	
✓ Perfluorocarbons (PFC✓ Sulphur hexafluoride (\$			
Sulphur Hexandonde (SNitrogen trifluoride (NF	·		
□ Carbon dioxide equival			
55. Are entities recomme	nded or required to dis	close gross emissions?	?
∘ No			
o Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
○ No
○ Recommended
Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
No
○ Recommended
○ Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse gas (GHG) emissions disclosure.

Nothing
Disclosure of Greenhouse Gas (GHG) Offsets or Removals
62. Does the policy tool recommend or require offsetting purchases be disclosed? • No
 Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) <u>Item 13</u> , <u>Paragraph 2</u> , <u>Article 4 of the Order on Reporting Greenhouse Gas Emissions</u>
63. Does the policy tool recommend or require entities disclose whether offsets are verified?
∘ No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
• Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) Paragraph 1, Article 4-2 of the Order on Reporting Greenhouse Gas Emissions
64. Does the policy tool recommend or require any certification standards for the use of GHG offsetting or removals?
No No
o Recommended (Please list the certification standards, describe their use, and reference the relevant section/subsection/paragraph of the policy tool)
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool)

65. Does the policy tool include any other recommendations or requirements regarding the appropriate use of offsets?
○ No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) Paragraph 1, Article 2 of the Measures for Adjustment of the Adjusted Greenhouse Gas Emissions
Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related			✓ Inorrequired
opportunities			
2. Remuneration			
based on achieving			
climate-related goals			
3. Taxonomies			V
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change) 5. Due diligence			✓
			✓
6. Assumptions and Dependencies			
7. Data limitations of			✓
scenario analyses			
8. Financial			✓
implications of			
climate-related			
matters (e.g.,			
integration of climate-			
related disclosures			
into financial			
accounting standards)			✓
9. Stewardship (e.g.,			
whether stewardship codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			✓
methodologies and			
criteria (in the case of			
service providers)			
11. Asset planning or			
ownership in the			
context of climate			
change 12. Sectoral			✓
investment policies			
13. Climate-related			✓
lobbying and/or policy			
engagement			
14. Locked-in			✓
emissions or			
information on			

emissive assets with				
long lifespans				
15. Dirty asset			✓	
divestiture				
16. Nature-related			✓	
impacts				
17. Just transition				
indicators				
Standards, Frameworks, and Guidelines				

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			✓
2. IFRS S2			✓
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			✓
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other	✓		

126. List any other standards, frameworks or guidelines integrated into or referred to within the policy tool. Please provide a web-archived link to each standard/framework/guideline listed.				
The calculation of GHG emissions and report thereof must be conducted pursuant to the instructions provided by the manual published by the Ministry of Environment and Ministry of Economy, Trade and Industry. See: https://web.archive.org/web/20240814091745/https://ghg-santeikohyo.env.go.jp/manual				
Additional Important Information				
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.				

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
○ No
○ Recommended
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
○ No
○ Recommended
126 December a discrete al recommendar y any size antition to promit a promote in each in size the size towards
136. Does the policy tool recommend or require entities to monitor progress in achieving their targets?
o No
○ Recommended
Required

137. Describe and reference the section/subsection/paragraph of the policy tool relevant to

monitoring progress in achieving targets.

Each of the Government and local governments is required to publicly disclose the progress of their transition plans annually pursuant to Paragraph 7, Article 20 and Paragraph 15, Article 21 of the Act.
· · · · · · · · · · · · · · · · · · ·
138. Does the policy tool recommend or require targeted entities to publicly report on progress in achieving their targets?
○ No
○ Recommended
Required
139. What is the recommended or required frequency of progress reports related to the achievement of targets?
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency

140. Which of the following targets, or data related to targets, does the policy tool recommend or require entities have or develop? Select all that apply.

	Recommended	Required	No
An absolute emissions		Nequired	
reduction target			
An intensity-based			✓
emissions reduction	_	_	
target			
A net zero target			V
Interim targets (e.g.			\checkmark
2030, 2050)			
Targets covering non-		✓	
carbon GHG emissions			
A Scope 3 emissions			✓
target			
A target derived using			
a sectoral			
decarbonization			
approach			
A level of ambition for			\checkmark
emissions reductions			
(e.g. 80% reduction)			
A baseline year from			
which progress is measured			
			✓
A target timeframe (e.g. by 2040)			
Targets for renewable			✓
energy procurement			
Targets for fossil fuel			✓
phase down/phase up			
Separate targets for			✓
GHG offsets and/or			
removals			
Targets or goals			✓
related to climate			
adaptation			
Targets or goals			\checkmark
related to nature and			
biodiversity			
Other targets related			\checkmark
to sustainability			

141. What is the recommended or required scope of emissions for absolute emissions reduction targets? Select all that apply.□ Scope 1 emissions

☐ Scope 2 emissions
☐ Scope 3 emissions, relevant or material
☐ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, all
✓ Not specified
147. For which of the following non-carbon GHGs are entities recommended or required to develop emissions reduction targets? Select all that apply.
Methane (CH ₄)
✓ Nitrous oxide (N₂O)
Hydrofluorocarbons (HFCs)
Perfluorocarbons (PFCs)
Sulphur hexafluoride (SF6)
✓ Nitrogen trifluoride (NF3)
□ Carbon dioxide equivalent (CO2e)
Transition Plans
404 D
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
○ Recommended
Required

165. Does the policy tool recommend or require any of the following elements or criteria for transition plans? Select all that apply.

	Recommended	Required	Neither recommended nor required	
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)				
Key Performance Indicators (KPIs) for monitoring transition plan implementation				
Updates to the transition plan				
Third-party verification and/or audited accuracy of the transition plan				
Identified methodology for scenario analysis				
166. Describe the recommended or required timeframe for the transition plan. 1-10 years 11-20 years 21-30 years 31-40 years 41-50 years				
Monitoring, Oversight, and Implementation				

176. Does the policy tool recommend or require entities undertake any of the following with regard to
monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in			
implementing their			
transition plan			
Develop financial			✓
plans for the			
implementation of			
their transition plan			
Integrate climate-			✓
related matters into			
their financial			
accounting			
Incorporate climate			\checkmark
change considerations			
into their investment			
decision making			
and/or asset planning			
Incorporate climate			~
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			✓
for enhancing the		_	
achievement of			
targets and/or the			
implementation of			
transition plans			
177 Dagarika tha ablimati			
_	ion to monitor progress in	- · · · · · · · · · · · · · · · · · · ·	dans, referencing the
relevant section/subsection	on/paragraph of the policy	tool.	
Each of the Covernment	and local governments is r	required to publish disclor	so the progress of their
Each of the Government and local governments is required to publicly disclose the progress of their transition plans annually pursuant to Paragraph 7, Article 20 and Paragraph 15, Article 21 of the Act.			
transition plans annually	pursuant to Paragraph 7,	Article 20 and Paragraph	1 15, Article 21 of the Act.
_ ,	1.0		
Engagement, Lobbying, (and Governance		

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement				
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance			lacksquare	
structure for transition				
and verification				
Climate-related				
financial incentives for				
employees and board				
members				
·	recommend or require tar	•	•	
diligence and/or stewards	ship to achieve their targe	ts and/or implement their	transition plans?	
@ N				
No				
o Recommended				
Required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			\checkmark
IFRS S2			
Task Force on Climate-related			✓
Financial Disclosures			
(TCFD)			
CDP (formerly known			✓
as Climate Disclosure			
Project) Technical			
Note: Reporting on			
Climate Transition			
Plans			
International			✓
Integrated Reporting			
Framework			
Global Reporting			✓
Initiative (GRI)			
Sustainability			✓
Accounting Standards			
Board (SASB)			
Science Based Targets			✓
initiative (SBTi)			
Science Based Targets			
initiative (SBTi) Net			
Zero Standard			
European Sustainability			
Reporting Standards			
(ESRS)			
Other			✓
Additional Important Inf	ormation		
·			

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: The rules and regulations of the GX League

3. Source material link(s): (Regulation of the GX League) https://web.archive.org/web/20240814110045/https://gxleague.go.jp/aboutgxleague/document/GX%E3%83%AA%E3%83%BC%E3%82%B0%E8%A6%8F% E7%A8%8BR5.pdf (Homepage of the GX League) https://web.archive.org/web/20240814110441/https://gx-league.go.jp/en/ 4. Which of the following governance domains does this policy tool relate to? Select all that apply. Climate-related disclosure ☐ Transition planning ☐ Public procurement 6. Select the category which best describes the author/issuer of the policy tool. \square Head of state and/or government ☐ Independent regulatory or supervisory body ☐ Legislature □ Judiciary Ministry/Department/Agency ☐ Other (Please describe) 7. Status of the policy tool Approved, in force o Approved, not yet in force o Other (Please describe) 9. Year of (planned) entry into force or year of publication

10. Does the policy tool have an end date?
No No
o Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The purpose of the GX League, which is a group of companies that are taking on the challenge of prompt transition to carbon neutrality and leading the transformation of the entire economic and social system, is to have discussion about the transformation and to create new markets, together with players in the public, academic and financial sectors. In order to achieve the purpose, the GX League shall carry out the following activities: (i) Discussions aimed at creating and sharing diverse business opportunities toward carbon neutrality in 2050,
(iii) Discussion about market creation and rulemaking in the carbon neutrality era, and (iii) Carbon credit trading.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
● 1. The Ministry of Economy, Trade and Industry
∘ 2.
∘ 3.
o 4 .
o 5.

15. To provide contextual information, rate the capacity of The Ministry of Economy, Trade and Industry to undertake the policy tool's implementation and/or enforcement.

• U- No Capacity (Please explain) <u>Companies participate in the GX League on a voluntary basis.</u>
o 1- Low Capacity (Please explain)
o 2- Medium Capacity (Please explain)
o 3- High Capacity (Please explain)
o Prefer not to answer
o Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			
3. Financial institutions		✓	
4. Small and medium-		✓	
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city) 11. Government			
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			
15. Other	<u> </u>	L	L

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

● No
∘ Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
o Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
Other The GX League Secretariat may withdraw a GX League participating company from the GX League.
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average

o Not applicable
● Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
o Not applicable
● Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The GX League Secretariat monitors the status of periodical report filing by each GX League participating company. See Item 2, Paragraph 1, Article 7 of the Regulations of the GX League.
41. Does the policy tool recommend or require periodic impact assessments?

○ No
○ Recommended
Required
42. Select the option that best describes the frequency of periodic impact assessments recommended or required by the policy tool.
● 0-2 years
o 2-5 years
o 5-10 years
o 10 or more years
○ Not specified
○ Other
43. Does the policy tool recommend or require periodic reviews?
No
○ Recommended
○ Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes

47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?

○ No
48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
The GX League Secretariat will organise promoting events among the GX League participating companies with the aim of encouraging them to implement initiatives for the 2050 Carbon Neutrality. See Article 34 of the Regulation.

Domain-Specific Questions: Disclos	sure Questions	
What is being disclosed?		

52. Are targeted entities recommended or required to disclose any of the	following climate-related
information? Select all that apply.	

	Recommended	Required	Neither recommended
1. Greenhouse gas		(nor required
(GHG) emissions			
2. GHG emissions		✓	
offsets or removals			
3. GHG emissions		>	
reduction targets			
4. Other climate-			
related targets			
5. Physical climate risk			
6. Transition risk			
7. Transition plan		✓	
54. Which GHG emission:	s must be disclosed? S	Select all that apply.	
✓ Methane (CH4)			
☑ Nitrous oxide (N₂O)			
☑ Hydrofluorocarbons (H	IFCs)		
Perfluorocarbons (PFC	s)		
Sulphur hexafluoride (S	SF6)		
☑ Nitrogen trifluoride (NF	- 3)		
□ Carbon dioxide equiva	ent (CO ₂ e)		
55. Are entities recomme	nded or required to dis	sclose gross emission	s?
∘ No			
o Recommended			
Required			

56. Are entities recommended or required to disclose net emissions?
○ No
∘ Recommended
Required
57. What Scope of emissions must be disclosed? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
☐ Scope 3 emissions, all
□ Not specified
58. Are entities recommended or required to discloseGHG emissionsaccounting methodologies or standards?
GHG emissions
59. Does the policy tool recommend or require the GHG inventory be third-party verified?
○ No
○ Recommended
o Required
60. If necessary, provide additional clarification to the above responses aboutgreenhouse ags (GHG)

emissions disclosure.

Disclosure of Greenhouse Gas (GHG) Offsets or Removals
62. Does the policy tool recommend or require offsetting purchases be disclosed?
○ No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
• Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) The amount of carbon credit generated by a reporting company and transferred from such a company to another must be disclosed in the report. Page 60 of the GX League Calculation, Monitoring and Reporting Guidelines (the "Guidelines").
63. Does the policy tool recommend or require entities disclose whether offsets are verified?
∘ No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
• Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool) The participating companies except "Group X" companies, which are participating companies of which the direct GHG emission amount in 2021 were below 100 thousand tCO2, are required to disclose the amounts of offsets in their report every year. Only "Qualified Carbon Credits" defined in the Regulations may be used to offset and the amounts of emissions and offsets must be verified by an independent institution. Pages 60 and 70 of the Guidelines.
64. Does the policy tool recommend or require any certification standards for the use of GHG offsetting or removals?
No No
o Recommended (Please list the certification standards, describe their use, and reference the relevant

section/subsection/paragraph of the policy tool)

Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
65. Does the policy tool include any other recommendations or requirements regarding the appropriate use of offsets?
No No
o Recommended (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
o Required (Please describe and reference the relevant section/subsection/paragraph of the policy tool)
Disclosure of Greenhouse Gas (GHG) Emissions Reduction Targets

67. Which of the following targets, or data related to targets, does the policy tool request entiti	es
disclose? Select any of the following which apply:	

	Recommended	Required	Neither recommended nor required
An absolute emissions reduction target		~	
An intensity-based emissions reduction target	9		
A net zero target		✓	
Targets covering non- carbon GHG emissions			⊘
A Scope 3 emissions target			V
A target derived using a sectoral decarbonization approach			
Interim targets			
A target timeframe (e.g. by 2040)		✓	
A baseline year from which progress is measured			
A level of ambition for emissions reductions (e.g. 80% reduction)			
68. Does the policy tool recommend or require entities to disclose their progress in achieving their emissions reductions targets?			
○ No			
∘ Recommended			
Required			
69. What is the recommended or required frequency of progress reports regarding the achievement			

of emissions reductions targets?

Yearly

o Every two years

o Every three years

o Every four years
o Every five years
o Every ten years or more
o Other
No prescribed frequency
70. Does the policy tool recommend or require a scope of emissions which should be covered by the absolute emissions reduction target? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions (relevant or material)
□ Scope 3 emissions (a specified proportion of coverage)
□ Scope 3 emissions (all)
□ Not specified
71. Does the policy tool recommend or require a scope of emissions which should be covered by the intensity-based emissions reduction target? Select all that apply.
Scope 1 emissions
Scope 2 emissions
☐ Scope 3 emissions (relevant or material)
□ Scope 3 emissions (a specified proportion of coverage)
□ Scope 3 emissions (all)
□ Not specified
72. Does the policy tool recommend or require a scope of emissions which should be covered by the net zero target? Select all that apply.
Scope 1 emissions

Scope 2 emissions
☐ Scope 3 emissions, relevant or material
□ Scope 3 emissions, a specified proportion of coverage (Please describe)
□ Scope 3 emissions, all
□ Not specified
73. What is the recommended or required year for the net zero target (e.g. net zero by)?
Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
o Other
 Not specified
77. What is the recommended or required level of ambition for interim targets? • Reduction between 1-25%
• Reduction between 1-25% • Reduction between 26-50%
• Reduction between 51-75%
• Reduction of over 75%
○ Other
None specified
• None specified
78. What are the recommended or required years for interim targets?

o 2031-2040
o 2041-2050
o Other
o None specified
79. What is the recommended or required timeframe for long-term targets (e.g. by 2050, 2060)?
● Between 2030 and 2035
o Between 2036 and 2040
o Between 2041 and 2045
o Between 2046 and 2050
o Between 2051 and 2060
o Between 2061 and 2070
o Other
o None specified
80. What is the recommended or required baseline year from which progress is to be measured?
○ 1990-2000
o 2001-2005
○ 2006-2010
○ 2016-2020
○ Other
81. Are entities recommended or required to disclose the methodologies by which they select baseline years?
No

○ Recommended
○ Required
Disclosure of Transition Plans
98. What is the recommended or required frequency of transition plan disclosures?
∘ Yearly
o Every two years
o Every three years
o Every four years
○ Every five years
○ Every ten years or more
○ Other
Not specified
99. Does the policy tool recommend or require audited accuracy and/or third-party verification of the transition plan?
○ No
o Required
100. Does the policy tool recommend or require entities to disclose progress in implementing transition plans?
○ No
Recommended
○ Required

101. What is the recommended or required frequency of disclosures related to transition plan implementation progress?
∘ Yearly
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
No prescribed frequency
102. Does the policy tool recommend or require targeted entities to disclose their financial plans for implementing transition plans?
No No
○ Recommended
○ Required
103. Does the policy tool recommend or require targeted entities to disclose their methodology for scenario analysis related to transition planning?
No No
○ Recommended
∘ Required

Other disclosures

105. Are targeted entities recommended or required to disclose any other climate-related information? Select all that apply.

	Required	Recommended	Neither recommended nor required
1. Climate-related			
opportunities 2. Remuneration			
based on achieving climate-related goals			
3. Taxonomies			
4. Capital allocation			
and/or expenditure			
plans (in the context of			
climate change)			
5. Due diligence			
6. Assumptions and			
Dependencies			
7. Data limitations of			
scenario analyses			
8. Financial			
implications of			
climate-related			
matters (e.g.,			
integration of climate- related disclosures			
into financial			
accounting standards)			
9. Stewardship (e.g.,			
whether stewardship			_
codes are in place,			
how entities vote in			
shareholder meetings,			
etc.)			
10. ESG			
methodologies and			
criteria (in the case of			
service providers) 11. Asset planning or			
ownership in the			
context of climate			
change			
12. Sectoral			
investment policies			
13. Climate-related			
lobbying and/or policy			
engagement			
14. Locked-in			
emissions or			
information on			

emissive assets with			
long lifespans			
15. Dirty asset			
divestiture			
16. Nature-related			
impacts			
17. Just transition			
indicators			
Standards, Frameworks, and Guidelines			

125. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. IFRS S1			
2. IFRS S2			
3. Task Force on Climate-related Financial Disclosures (TCFD)			
4. GHG Protocol Corporate Accounting and Reporting Standard			
5. GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard			
6. CDP (formerly known as Climate Disclosure Project) reporting framework			
7. International Integrated Reporting Framework			
8. Global Reporting Initiative (GRI)			
9. Sustainability Accounting Standards Board (SASB)			
10. European Sustainability Reporting Standards (ESRS)			
11. Taskforce on Nature-related Financial Disclosures (TNFD)			
12. Partnership for Carbon Accounting Financials (PCAF)			
13. Glasgow Financial Alliance for Net Zero (GFANZ)			
14. Other			

Additional Important Information
128. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

<u>None</u>

Policy Tool Name: The Fourth Report of the Financial Services Agency Expert Group on Sustainable Finance

3. Source material link(s): https://web.archive.org/web/20240806043144/https://www.fsa.go.jp/singi/sustainable_finance/siryou/20240709/01.pdf (一応関連文書としてはこれになりますでしょうか。条文等で定められている範囲ということであれば、該当なしになるかと思います。)
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
☐ Climate-related disclosure
✓ Transition planning
☐ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
☐ Head of state and/or government
☐ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
☑ Ministry/Department/Agency
☐ Other (Please describe)
7. Status of the policy tool
o Approved, in force
Approved, not yet in force
• Other (Please describe) The report was issued on 9 July 2024.
9. Year of (planned) entry into force or year of publication
<u>2024</u>

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Expert Group on Sustainable Finance, which was established by the Financial Services Agency of Japan in 2020, has discussed various issues about sustainable finance and periodically issued a report stating a brief description of domestic and international trends, progress and discussions on issues and responses for each theme related to sustainable finance. While the reports are not legally-binding documents on the Government or companies, it is worth paying close attention because the reports significantly affect measures and policies to be adopted by the Government. The fourth report issued on 9 July 2024 (the "Report") refers to development of transition planning by companies as one of the core issues to be addressed by the Government in relation to enhancement of transition finance.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
o 1 .
○ 2.
○ 3.
o 4.
○ 5.

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			✓
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			\checkmark
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			✓
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

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● No
o Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
□ Restriction on business activities
☐ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
∘ Average
 Above average

Not applicable
o Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
Not applicable
o Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
No No
∘ Yes
41. Does the policy tool recommend or require periodic impact assessments?
● No
○ Recommended
○ Required

43. Does the policy tool recommend or require periodic reviews?
No No
o Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
o Yes

Domain-Specific Questions: Transition Planning Questions
Disclosure of Plans and Targets
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?
No No
∘ Recommended
o Required
Targets
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?
No No
o Recommended
o Required
Transition Plans
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?
∘ No
○ Required

165. Does the policy tool recommend or require any of the following elements or criteria for transition plans? Select all that apply.

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			4
Monitoring, Oversight, a	nd Implementation		

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial			
plans for the			
implementation of			
their transition plan			
Integrate climate-			
related matters into			
their financial			
accounting			
Incorporate climate			
change considerations into their investment			
decision making			
and/or asset planning			
Incorporate climate			
change considerations			
into their capital			
allocation and/or			
expenditure plans			
Any other mechanisms			
for enhancing the achievement of			
targets and/or the			
implementation of			
transition plans			

182. Describe the obligations related to other governance mechanisms for enhancing the achievement of targets and/or implementation of transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

In the process of transition, various issues such as technological progress, market innovations and changes in international standards may change from time to time, and it is important to review these practical discussions from time to time. Therefore, it is important for the Financial Services Agency of Japan to consider a framework for transition strategies tailored to the size and characteristics of financial institutions, while engaging in dialogue with financial institutions, international organisations and overseas authorities.

Further, it is important that practical and reliable data that can serve as a basis for dialogue between companies, investors and financial institutions be effectively and efficiently developed through dialogue and collaboration among data producers and users.

See pages 10 and 20 of the Report.

En	g	ag	en	ne	nt	, L	.ol	ob	yi	ng	J,	ar	nd	G	io	VE	eri	nc	n	CE	9																

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No
Value chain			
engagement			
Investor engagement			
Consumer			
engagement			
Policy engagement			
and lobbying practices			
Corporate governance			
structure for transition			
and verification			
Climate-related			
financial incentives for			
employees and board			
members			
185. Does the policy tool	recommend or require tar	aeted entities to disclose	how they have used due
•	ship to achieve their targe	-	
amgence ana, or sterrard	omp to defice their targe	to ana, or implement their	transition plans.
No			
Recommended			
D : 1			
Required			
0	16		
Standards, Frameworks,	, and Guidelines		

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor
			referenced
IFRS S1			
IFRS S2			
Task Force on Climate-related			
Financial Disclosures (TCFD)			
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans			
International Integrated Reporting Framework			
Global Reporting Initiative (GRI)			
Sustainability Accounting Standards Board (SASB)			
Science Based Targets initiative (SBTi)			
Science Based Targets initiative (SBTi) Net Zero Standard			
European Sustainability Reporting Standards (ESRS)			
Other			
Additional Important Inf	ormation		

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: The Report by the Working Group on Financial Institutions' Efforts towards Decarbonization of the Economy - Recommendation on financial institutions' works toward Net-zero

3. Source material link(s): https://web.archive.org/web/20240815042502/https://www.fsa.go.jp/singi/decarbonization/siryou/2 230627/03.pdf
4. Which of the following governance domains does this policy tool relate to? Select all that apply.
□ Climate-related disclosure
✓ Transition planning
□ Public procurement
6. Select the category which best describes the author/issuer of the policy tool.
□ Head of state and/or government
□ Independent regulatory or supervisory body
□ Legislature
□ Judiciary
Ministry/Department/Agency
□ Other (Please describe)
7. Status of the policy tool
 Approved, in force
o Approved, not yet in force
● Other (Please describe) <u>The report was issued on 27 June 2023.</u>
9. Year of (planned) entry into force or year of publication
2023

10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The Working Group on Financial Institutions' Efforts towards Decarbonization of the Economy, which was established under the Expert Group of Sustainable Finance by the Financial Services Agency of Japan in 2022, has discussed various issues about financial institutions' efforts towards decarbonization. This report by the Working Group named "Recommendation on financial institutions' works toward Net-zero"(the "Guide"), which was issued on 27 June 2023, summarises the discussions at the Working Group, as a practical recommendation to identify and address challenges and issues for financial institutions' support for companies toward decarbonization, While the Guide is not legally-binding documents on the Government or companies, it is worth paying close attention because the Guide significantly affects measures and policies to be adopted by the Government. The Guide refers to development of transition planning by companies as one of the core issues to be addressed by the Government in relation to enhancement of transition finance.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
o 1 .
∘ 2.
○ 3.
o 4 .
o 5.

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			\checkmark
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned			
companies			
6. Not-for-profit			
organizations			
7. Government			✓
agencies and/or			
departments			
(supranational)			
8. Government			
agencies and/or			
departments (national)			
9. Government			\checkmark
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			\checkmark
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

28. Can entities for whom compliance with the policy tool is mandatory opt out of the obligation (e.g. comply or explain)?

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● No
o Yes
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?
Operations within jurisdiction only
Operations beyond the jurisdiction
o Not applicable
32. What are the sanctions for non-compliance? Select all that apply and describe in the text field.
☐ Monetary fine
☐ Restriction on business activities
□ Voiding or setting aside of contract
☐ Exclusion from government contracts
☐ Award of damages or compensation
☐ Penalty for senior managers
☐ Criminal penalties
□ Not specified
Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
 Above average

Not applicable
o Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
○ Average
Above average
Not applicable
o Unknown or prefer not to answer
37. Have the climate-specific provisions in this instrument ever been enforced?
No (If relevant, explain)
∘ Yes
39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
No No
∘ Yes
41. Does the policy tool recommend or require periodic impact assessments?
● No
○ Recommended
o Required

43. Does the policy tool recommend or require periodic reviews?
No No
o Recommended
o Required
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
∘ Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
No No
o Yes

Domain-Specific Questions: Transition Planning Questions				
Disclosure of Plans and Targets				
132. Are targeted entities recommended or required to publicly disclose climate-related targets or transition plans?				
No No				
∘ Recommended				
o Required				
Targets				
135. Does the policy tool recommend or require targeted entities to have or develop climate-related targets?				
No No				
o Recommended				
o Required				
Transition Plans				
164. Does the policy tool recommend or require targeted entities to have or develop a transition plan?				
∘ No				
○ Required				

165. Does the policy tool recommend or require any of the following elements or criteria for transition plans? Select all that apply.

	Recommended	Required	Neither recommended nor required
A timeframe for the transition plan (e.g. 10 year plan, 20 year plan, etc.)			
Key Performance Indicators (KPIs) for monitoring transition plan implementation			
Updates to the transition plan			
Third-party verification and/or audited accuracy of the transition plan			
Identified methodology for scenario analysis			4
Monitoring, Oversight, and Implementation			

176. Does the policy tool recommend or require entities undertake any of the following with regard to monitoring, oversight, and implementation? Select all that apply.

	Recommended	Required	No
Monitor progress in implementing their transition plan			
Develop financial plans for the implementation of their transition plan			
Integrate climate- related matters into their financial accounting			
Incorporate climate change considerations into their investment decision making and/or asset planning			
Incorporate climate change considerations into their capital allocation and/or expenditure plans			
Any other mechanisms for enhancing the achievement of targets and/or the implementation of transition plans			

182. Describe the obligations related to other governance mechanisms for enhancing the achievement of targets and/or implementation of transition plans, referencing the relevant section/subsection/paragraph of the policy tool.

It is important for financial institutions to accurately understand the environment surrounding client companies, the importance of the transition for each company and the stage of what clients are doing for Net zero. Moreover, financial institutions are expected to provide engagement and support for reducing emissions in accordance with the stage of the company.

It is also important for financial institutions, while taking into account the relationship between the transition and their business objectives to deepen dialogues with their customer about the significance of the transition for the customer business and to seek its understanding towards formulating its transition plans. Given that there are many cases where multiple financial institutions provide financing and investment to a single company, collaborative engagement is also effective way, particularly for direct finance.

<u>Further, it is important for financial institutions to support the formulation of transition plans for</u>
companies, including ambitious and effective emission trajectories, through dialogues with
companies while referring to the pathway framework and incorporate them into their own transition
plans. Banks' models should accordingly be improved to be more practical through the use of such
pathways. In addition, financial institutions should request the transition plan of the
client companies to be properly positioned in their management strategies.
See pages 19, 20, 35 and 36 of the Guide.
Engagement, Lobbying, and Governance

184. Does the policy tool recommend or require targeted entities align any of the follow	'ing
engagement and/or governance practices with their targets and/or transition plans?	

	Recommended	Required	No	
Value chain				
engagement				
Investor engagement				
Consumer				
engagement				
Policy engagement				
and lobbying practices				
Corporate governance				
structure for transition				
and verification				
Climate-related				
financial incentives for				
employees and board				
members				
185. Does the policy tool	recommend or require tar	geted entities to disclose	how they have used due	
	ship to achieve their targe			
3	,	,	•	
No				
 Recommended 				
o Required				
· required				
Standards, Frameworks, and Guidelines				

194. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced		
IFRS S1					
IFRS S2					
Task Force on Climate-related Financial Disclosures (TCFD)					
CDP (formerly known as Climate Disclosure Project) Technical Note: Reporting on Climate Transition Plans					
International Integrated Reporting Framework					
Global Reporting Initiative (GRI)					
Sustainability Accounting Standards Board (SASB)					
Science Based Targets initiative (SBTi)					
Science Based Targets initiative (SBTi) Net Zero Standard					
European Sustainability Reporting Standards (ESRS)					
Other					
Additional Important Information					

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: The Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Kuni tou ni yoru Kankyo Buppin tou no Chotatsu no Suishin ni kansuru Houritsu)

3. Source material link(s): (Act) https://web.archive.org/web/20240806050104/https://laws.e-gov.go.jp/law/412AC1000000100 (The Basic Policy 2024) https://web.archive.org/web/20240806050910/https://www.env.go.jp/policy/hozen/green/glaw/net/kihonhoushin.html (Provisional Translation of the Basic policy 2024) https://web.archive.org/web/20240815065751/https://www.env.go.jp/content/000196355.pdf 4. Which of the following governance domains does this policy tool relate to? Select all that apply. ☐ Climate-related disclosure ☐ Transition planning Public procurement 6. Select the category which best describes the author/issuer of the policy tool. ☐ Head of state and/or government ☐ Independent regulatory or supervisory body Legislature □ Judiciary ☐ Ministry/Department/Agency ☐ Other (Please describe) 7. Status of the policy tool Approved, in force o Approved, not yet in force Other (Please describe)

9. Year of (planned) entry into force or year of publication
<u>2000</u>
10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The purpose of the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (the "Act") is to establish a society that can develop sustainably with reduced environmental load, by providing for necessary matters and for promoting a shift of demand to eco-friendly goods, including the promotion of the procurement of eco-friendly goods by the Government, administrative agencies, local governments and local administrative agencies, and the provision of information concerning eco-friendly goods, thereby contributing to ensuring healthy and cultured living of both the present and future generations of the citizens. Given that, the Government must provide for a Basic Policy on the promotion of the procurement of eco-friendly goods and endeavor to select eco-friendly goods for the purpose of promoting a shift of demand to such goods, while giving consideration to the proper use of the budget. Business operators and citizens are to endeavor to select such goods to the extent possible, in the case of purchasing or leasing goods, or receiving the provision of services.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
■ 1. The Ministry of the Environment
∘ 2.
∘ 3.
o 4 .
o 5.

15. To provide contextual information, rate the capacity of The Ministry of the Environment to undertake the policy tool's implementation and/or enforcement.
o O- No Capacity (Please explain)
 1- Low Capacity (Please explain) The Minister of the Environment is responsible for formulating the basic policy to promote the procurement of eco-friendly goods while consulting with the heads of ministries and agencies, etc., and seeks a cabinet decision. After the basic policy is decided by the cabinet, the Minister is obligated to publish it. Furthermore, the Minister may request the heads of ministries and agencies, etc., to implement measures deemed particularly necessary for promoting the procurement of such goods. The Basic Policy is determined and published every fiscal year and the Basic Policy 2024 provides judgment criteria for 287 types of goods as well as basic matters concerning the promotion of the procurement of goods. 2- Medium Capacity (Please explain) 3- High Capacity (Please explain)
o Prefer not to answer
Not Applicable

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			
entities			
2. Private companies			✓
3. Financial institutions			✓
4. Small and medium-			
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			
organizations			
7. Government			\checkmark
agencies and/or			
departments			
(supranational)			
8. Government	\checkmark		
agencies and/or			
departments (national)			
9. Government		✓	
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			✓
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

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27. E	Describe the threshold	criteria to identi	fy entities for	whom or	instances ir	n which	complianc	e is
man	datory.							

	Government agencies and/or departments (national)				
Minimum number of employees (Enter min	(national)				
number of full-time employees - FTEs)					
Minimum revenue (Enter minimum revenue)					
Minimum assets (Enter minimum assets)					
Minimum contract value (Enter minimum					
contract value)					
Entity is headquartered in the jurisdiction					
Entities are subjected to disclosure or reporting	The Government and Heads of Ministries and				
requirements	Agencies as prescribed in Article 20, paragraph				
	(2) of the Public Finance Act				
28. Can entities for whom compliance with the policomply or explain)?	icy tool is mandatory opt out of the obligation (e.g.				
No					
∘ Yes					
30. Does the policy tool exclusively apply to entities' domestic operations, or does it also apply to entities' operations beyond the jurisdiction?					
Operations within jurisdiction only					
o Operations beyond the jurisdiction					
o Not applicable					
32. What are the sanctions for non-compliance? So	elect all that apply and describe in the text field.				
☐ Monetary fine					
☐ Restriction on business activities					
\square Voiding or setting aside of contract					
☐ Exclusion from government contracts					
☐ Award of damages or compensation					

☐ Penalty for senior managers
☐ Criminal penalties
✓ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
AverageAbove average
 Above average
Above averageNot applicable
Above averageNot applicable
 Above average Not applicable Unknown or prefer not to answer
 Above average Not applicable Unknown or prefer not to answer
 Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced?
 Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced? No (If relevant, explain)

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The Heads of ministries and agencies, as well as heads of administrative agencies, are required to formulate and publish an annual policy based on the Basic Policy to promote the procurement of eco-friendly goods and services. This includes setting targets for specific procurement items and other eco-friendly goods procurement targets. Based on these policies, actual procurement activities are conducted. The Heads of ministries and agencies and heads of administrative agencies are obligated to compile and publish an outline of procurement results at the end of each fiscal or business year
and notify the Minister of the Environment.
41. Does the policy tool recommend or require periodic impact assessments?
No
o Recommended
• Required
43. Does the policy tool recommend or require periodic reviews?
○ No
o Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
● 0-2 years

o 2-5 years
o 5-10 years
o 10 or more years
 Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
o Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
○ No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Under Article 14 of the Act, the Government is responsible for organizing and analyzing the provision of information concerning eco-friendly goods and services, and for publishing the results.

Furthermore, the Government is obligated to review and implement measures to ensure the proper provision of information regarding eco-friendly goods in order to promote a shift in demand towards these products. This includes considering the content and method of information provision while respecting the autonomy of the information providers. The system for providing information about eco-friendly goods and services is also included in these considerations (Article 14 and Supplementary Provisions 2 of the Act)

The Ministry of the Environment is holding the Basic Policy explanatory meetings to promote the implementation of the Law and "the Act on Promotion of Contracts of the State and Other Entities,

Which Show Consideration for Reduction of Emissions of Greenhouse Gases, etc."
(https://web.archive.org/web/20240806053737/https://www.env.go.jp/policy/hozen/green/g-law/setsumeikai.html)
The Ministry of the Environment is holding practical training sessions for local government officials. (https://web.archive.org/web/20240806053940/https://www.env.go.jp/policy/hozen/green/g-law/jitsumukenshuukai.html)
Additionally, the Ministry of the Environment is providing support for initiatives by local governments. (https://web.archive.org/web/20240806055056/https://www.env.go.jp/policy/hozen/green/g-law/net/support.html)

Additional Important Information

197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

None

Domain-Specific Questions: Public Procurement Questions
200. Does the policy tool allow, recommend, or require the alignment of public procurement spending with national and/or subnational climate targets?
∘ No
Allowed and/or recommended
o Required
201. Describe the obligation to align public procurement spending with national and/or subnational climate targets, referencing the relevant section/subsection/paragraph of the policy tool.
In view of the importance of countermeasures against global warming or resource circulation, based on the "Global Warming Countermeasure Plan" (Cabinet decision on October 22, 2021) and "The Government Action Plan" (Cabinet decision on October 22, 2021), in addition, based on the purpose of the "The Fundamental Plan for Establishing a Second Material-cycle Society" (Cabinet decision on June 19, 2018), the Government and other Entities need to take the initiative to procure eco-friendly goods. See 1.1 of the Basic Policy 2024.

202.	Does the policy	tool set targets in I	relation to climate-aligned	d procurement? Select all that app	oly.

	Allowed/recommended	Required	Not applicable
A minimum percentage of tenders/contracts which must include climate-related criteria			V
A minimum number of climate-related criteria to be included in purchases/tenders			
A minimum value of procurement spend which must include climate-related criteria			
A maximum amount of greenhouse gas emissions associated with tenders/contracts (i.e. a carbon ceiling/envelope)			
Targets for the reduction of fossil fuel energy consumption associated with tenders/contracts			
Targets for the procurement of products which have a third-party sustainability certification/ ecolabel/ voluntary sustainability standard			
Other (Please describe and reference the section/subsection/paragraph of the policy tool relevant to other climate-aligned procurement targets)			
Other Text:			
Procurement Cycle			

204. Does the policy tool make recommendations or allowances or set requirements related to climate change mitigation at the procurement planning stage? Select all that apply.

	Allowed/	Required	Not applicable
	recommended	✓	
Procuring entities			
consider climate			
change mitigation			
and/or GHG emissions			
reductions goals when			
defining their			
procurement needs			
Procuring entities have			
a strategy, plan, or			
policy regarding the			
alignment of			
procurement practices			
with climate objectives			
Procuring entities set			\checkmark
aside a portion of their			
procurement budgets			
for climate-aligned			
procurement			
Procuring entities			\checkmark
include emissions from			
procurement in their			
carbon budget			
Procuring entities			
follow guidance on			
calculating			
procurement-related			
emissions			
Procuring entities		\checkmark	
inform and/or consult			
with market actors in			
advance of publishing			
the formal call for			
tenders, in relation to			
climate considerations			
(i.e. pre-procurement			
consultation,			
engagement, or			
dialogue)			
Other allowances,			\checkmark
recommendations or			
requirements related			
to climate change			
mitigation or GHG			
emissions at the			
procurement planning			
stage			
	<u> </u>	<u> </u>	

205. To which of the following do climate change mitigation and/or GHG emission reduction goals
apply with regard to the definition of procurement needs? Select all that apply.
Goods
☑ Services
✓ Works
206. Describe the obligation for procuring entities to consider climate change mitigation and/or GHG emissions reductions goals when defining their procurement needs, referencing the relevant section/subsection/paragraph of the policy tool.
Each institution shall consider the possibility to reduce environmental impact in its procurement for as wide a range of goods and services as possible, considering the business's promotion for reduction of the environment impact not to mention the observance of regulations related to environment. From the perspective of promoting the reduction of greenhouse gas emissions throughout the supply chain, quantitative environmental information on goods, etc., it is considered appropriate to use actual figures as much as possible in accordance with "Carbon footprint guidelines by Ministry of Economy, Trade and Industry/Ministry of the Environment and to appropriately disclose them. Each organization shall make efforts to preferentially select products with low greenhouse gas emissions, starting from items for which quantitative environmental information has been prepared in accordance with these guidelines. See 1.2(1) and 3.6 of the Basic Policy 2024. For various items,
207. Must the strategy, plan, or policy regarding the alignment of procurement practices with climate objectives be published?
○ No
208. Is there a central publication point?
○ No

● Yes (Describe) <u>The Basic Policy is published at "Green Procurement.net"</u>					
(https://www.env.go.jp/policy/hozen/green/g-law/index.html), while each Ministry's policy is available					
at such Ministry's website.					
209. Describe the obligation for procuring entities to have a strategy, plan, or policy regarding the					
alignment of procurement practices with climate objectives, referencing the relevant					
section/subsection/paragraph of the policy tool.					
The Heads of ministries and agencies, as well as heads of administrative agencies, are required to					
formulate and publish an annual policy based on the Basic Policy to promote the procurement of eco-					
friendly goods and services. This includes setting targets for specific procurement items and other					
eco-friendly goods procurement targets. Based on these policies, actual procurement activities are					
conducted. See Article 7 of the Act.					
213. In the case of procuring agencies that follow guidance on calculating procurement-related emissions, does the policy tool identify an agency or organisation which advises upon calculation of					
emissions from procurement, and/or audits these calculations?					
No No					
 Yes (Describe the identified agency and/or organisation, referencing the relevant section/subsection/paragraph of the policy tool) 					
214. Describe the obligation for procuring entities to inform and/or consult with market actors in					

214. Describe the obligation for procuring entities to inform and/or consult with market actors in advance of publishing the formal call for tenders, in relation to climate considerations (i.e. preprocurement consultation, engagement, or dialogue), referencing the relevant section/subsection/paragraph of the policy tool.

Evaluation Criteria published in the Basic Policy are defined as requirements for clarifying the goods, etc. that are subject to the setting of fiscal year procurement policy of each institution. Furthermore, factors which are important for reducing environmental impact but are not appropriate to be set as uniform evaluation criteria at the present time are specified in the Basic Policy as "factors for consideration" to be considered in addition to the evaluation criteria when making procurement decisions. Each institution should specify the factors for consideration as concrete and explicit specifications for each procurement, when applying the factors for consideration to their procurement, in order to ensure transparency and fairness to the procurement process. See 2.1.b of the Basic Policy 2024.

Life-cycle or Whole-life Costing
217. Does the policy tool recommend or require the use of life-cycle costing or whole-life costing to capture climate-related impacts (e.g. energy or fuel consumption, monetized emissions or other environmental costs, end-of-life costs, etc)?
○ No
o Allow and/or recommend
• Require
218. Describe the obligation to use life-cycle costing or whole-life costing to capture climate-related impacts, referencing the relevant section/subsection/paragraph of the policy tool.
In view of the maximum reduction of environmental impact, a wide range of environmental factors, including global warming, air pollution, waste, and the decrease of biodiversity, need to be considered in as holistic a manner as possible. At the same time, goods and services must be selected in consideration of the reduction of the environmental impact throughout the product lifecycle from resource acquisition to disposal. With regards to areas with specific environmental issues such as local air pollution, such local environmental issues may be considered with priority in making procurement decisions. See 1.2(2) of the Basic Policy 2024.
219. Does the allowance, recommendation, and/or requirement to apply life-cycle costing or whole-life costing only apply to certain types of contract/tender?
● No
o Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool)
220. Does the policy tool allow, recommend, or require a methodology or tool for calculating life-cycle/ whole-life costs? If so, describe and reference the relevant section/subsection/paragraph of the policy tool.

o No

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222. Does the policy tool make allowances, recommendations or set requirements at the tendering or solicitation stage? Select all that apply.

	Allowed/recommended	Required	Not applicable
Exclusion or			
debarment grounds			
based on compliance with climate			
obligations			
Qualification or			✓
selection criteria			
related to climate			
change			
Including climate or		\checkmark	
environmental			
considerations when			
calculating value for			
money, including through the use of life-			
cycle or whole-life			
costing			
Technical		✓	
specifications (e.g.			
setting minimum levels			
of energy efficiency or			
maximum product carbon emissions)			
Contract award			✓
criteria or value for		Ш	
money evaluation			
frameworks (e.g.			
minimum			
scores/performance			
levels under climate-			
related criteria,			
preferences for climate or sustainable			
products)			
Other procurement			\checkmark
stage allowances,			
recommendations or			
requirements			
Life-cycle costing or who	olo-lifo costina		
Life cycle costing of which	ne me costing		

241. Describe how life-cycle costing or whole-life costing is allowed, recommended, or required at the tendering or solicitation stage, referencing the relevant section/subsection/paragraph of the policy tool.

In view of the maximum reduction of environmental impact, a wide range of environmental factors, including global warming, air pollution, waste, and the decrease of biodiversity, need to be considered in as holistic a manner as possible. At the same time, goods and services must be selected in consideration of the reduction of the environmental impact throughout the product lifecycle from resource acquisition to disposal. With regards to areas with specific environmental issues such as local air pollution, such local environmental issues may be considered with priority in making procurement decisions. See 1.2(2) of the Basic Policy 2024. **Technical specifications** 243. To which of the following do the technical specifications relate? Select all that apply. Energy efficiency Product carbon emissions Carbon disclosure or reporting requirements An absolute or intensity-based emissions cap Percentage of energy from renewable sources Percentage of recycled materials (e.g. paper, concrete) ☑ Use of low or zero-carbon energy/fuel technology (e.g. electric vehicles, heat pumps, solar panels) M Production methods (e.g. organic food or textiles, cold-mix asphalt, deforestation-free products) End-of-life requirements (e.g. reuse, recycling, anaerobic digestion) ☐ Availability of life-cycle assessment (LCA) data Third-party certification/ecolabels Supply chain considerations ☐ Other (Please describe)

Contract Performance
249. Does the policy tool make allowances, recommendations or set requirements at the contract performance stage (e.g. contract clauses, key performance indicators or conditions which must be included to monitor and report on emissions or other metrics)?
No No
o Allowed and/or recommended
o Required
Monitoring and Reporting
252. Does the policy tool include allowances, recommendations or requirements to monitor and/or report upon climate-aligned procurement?
○ No
o Allowed and/or recommended
Required
253. Does the policy tool specify the entity responsible for monitoring and reporting?
○ No
● Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool) The Heads of Ministries and agencies and the heads of administrative agencies must make public a policy for promoting the procurement of eco-friendly goods and, at the end of each fiscal year or each business year, are to prepare and make public an outline of the results of the procurement of eco-friendly goods and notify the Minister of Environment to that effect. See Article 7, Paragraph 3 and Article 8, Paragraph 1 of the Act.

254. Are targeted entities recommended or required to monitor and/or report any of the following data? Select all that apply.
Adoption of a climate-aligned and/or environmentally sustainable procurement plan or policy
☐ Staff training related to climate-aligned and/or environmentally sustainable procurement
□ Number of tenders/contracts which include climate-related criteria
□ Value of tenders/contracts which include climate-related criteria
□ Content of climate-related criteria
Level of ambition of climate-related criteria
Reasons for not including climate-related criteria in tenders
☐ Market response to climate-related criteria (e.g. number of tenders rejected, average or lowest/highest score awarded, feedback received)
□ Outcome of tenders in which climate-related criteria are applied (e.g. impact on award decision, costs, or other factors)
☐ Audits of contractors' compliance with climate-related criteria during contract performance
☐ Climate impact or outcomes of tenders/contracts
□ Other
258. Is it allowed, recommended or required that monitoring and reporting data be published?
∘ No
Allowed and/or recommended
Required
259. Is there a central publication point?
No No
• Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool)
260. What is the recommended or required frequency of published reports?

o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
No prescribed frequency
Standards, Frameworks, and Guidelines

262. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. Paris Agreement			✓
2. The jurisdiction's			✓
Nationally Determined			
Contribution (NDC)			
3. IFRS S1			✓
4. IFRS S2			\checkmark
5. Task Force on Climate-			\checkmark
related Financial Disclosures			
(TCFD)			
6. GHG Protocol Corporate			
Accounting and Reporting			
Standard			
7. GHG Protocol Corporate			
Value Chain (Scope 3)			
Accounting and Reporting Standard			
8. CDP (formerly known as			
Climate Disclosure Project)			
reporting framework			
9. Science Based Targets			
initiative (SBTi)			
10. Science Based Targets			✓
initiative (SBTi) Net Zero			
Standard			
11. United Nations			✓
Sustainable Development			
Goals (SDGs)			
12. ISO 20400 Sustainable			
Procurement			
13. EU Green Public			
Procurement criteria and			
guidance			
14. UNEP Sustainable Public			✓
Procurement Implementation Guidelines			
15. OECD MAPS -			✓
Supplementary Module on			
Sustainable Public			
Procurement			
16. Asian Development			✓
Bank Guidelines for	_	_	
Sustainable Procurement			
17. African Development			✓
Bank Sustainable Public			
Procurement Guidance Note			

18. Inter-American					
Development Bank Green					
Procurement Guidelines					
19. EDBR Project					
Requirements/Environmental					
and Social Action Plan					
20. World Bank					
Environmental and Social					
Framework					
21. Other			✓		
Additional Important Information					

265. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

Policy Tool Name: The Act on Promotion of Contracts of the State and Other Entities, Which Show Consideration for Reduction of Emissions of Greenhouse Gases, etc. (Kuni tou ni okeru Onshitsu Kouka Gasu tou no Haishutsu no Sakugen ni Hairyo shita Keiyaku no Suishin ni kansuru Houritsu)

Houritsu)

3. Source material link(s): (Act)
https://web.archive.org/web/20240806073806/https://laws.e-gov.go.jp/law/419AC0100000056
(The Basic Policy)
https://web.archive.org/web/20240726133730/https://www.env.go.jp/content/000113323.pdf
(Reference materials of the Basic Policy)
https://web.archive.org/web/20240725144357/https://www.env.go.jp/content/000206156.pdf

4. Which of the following governance domains does this policy tool relate to? Select all that apply.

□ Climate-related disclosure
□ Transition planning

☑ Public procurement

□ Head of state and/or government
□ Independent regulatory or supervisory body

☑ Legislature
□ Judiciary

7. Status of the policy tool

☐ Other (Please describe)

☐ Ministry/Department/Agency

- Approved, in force
- o Approved, not yet in force
- Other (Please describe)

9. Year of (planned) entry into force or year of publication
2007
10. Does the policy tool have an end date?
No No
∘ Yes
12. Briefly describe the policy tool's goal and/or purpose:
For example: The policy tool requires publicly listed companies to comply with the recommendations of the Task Force for Climate Related Financial Disclosure or to explain the absence of such disclosures.
The purpose of the Act on Promotion of Contracts of the State and Other Entities, Which Show Consideration for Reduction of Emissions of Greenhouse Gases, etc. (the "Act") is to clarify the responsibilities of the Government concerning the promotion of contracts of the Government which show consideration for reduction of greenhouse gas emissions, while aiming to reduce greenhouse gases emitted by the Government by formulating a Basic Policy and otherwise specifying necessary matters, thereby contributing to establishing a society that can develop sustainably with reduced environmental loads.
Given that, the Government must provide a basic policy for promoting contracts of the Government
and administrative agencies which show consideration for the reduction of emissions of greenhouse
gases. Besides, the Heads of Ministries and agencies and the heads of administrative agencies must,
as provided by the Basic Policy, endeavor to implement necessary measures for the purpose of promoting contracts which show consideration for the reduction of emissions of greenhouse gases.
promoting contracts which show consideration for the reduction of emissions of greenhouse gases.
13. Name the authority(ies) responsible for overseeing implementation and/or enforcement. If not applicable, leave blank.
■ 1. The Minister of the Environment
o 2.
∘ 3.

o 4.
o 5.
15. To provide contextual information, rate the capacity of The Minister of the Environment to undertake the policy tool's implementation and/or enforcement.
o 0- No Capacity (Please explain)
● 1- Low Capacity (Please explain) The Minister of the Environment is responsible for formulating a basic policy aimed at promoting contracts that consider the reduction of greenhouse gas emissions, consulting with the heads of ministries and agencies and incorporated administrative agencies to seek a cabinet decision. Once the basic policy is approved by the cabinet, the Minister is required to publish it. Additionally, the Minister has the authority to request that the heads of ministries and agencies implement measures deemed necessary. The current Basic Policy, which was determined and published in February 2023, provides judgment criteria for six categories of contracts (contracts for the supply of electricity, contracts for the purchase and lease of motor vehicles, contracts for the procurement of vessels, contracts for energy conservation renovation projects, contracts for the design, maintenance or renovations of buildings, and contracts for the disposal of industrial waste). ○ 2- Medium Capacity (Please explain) ○ 3- High Capacity (Please explain) ○ Prefer not to answer

25. Which entities are targeted through this policy tool? Select all that apply.

Note: With regard to sectoral actors, in cases where mandatory and voluntary obligations are mixed (e.g., mandatory for one sector, voluntary for another), select "mandatory" as there will be further opportunity to clarify.

	Mandatory	Voluntary	Not targeted
1. Publicly-traded			\checkmark
entities			
2. Private companies			
3. Financial institutions			
4. Small and medium-			
sized enterprises			
5. State-owned			✓
companies			
6. Not-for-profit			
organizations			
7. Government			
agencies and/or			
departments			
(supranational)			
8. Government	\checkmark		
agencies and/or			
departments (national)			
9. Government		V	
agencies and/or			
departments (regional			
- e.g., state, province,			
region, metropolitan			
region)			
10. Government			
agencies and/or			
departments (local -			
e.g., county, district,			
municipality, city)			
11. Government			\checkmark
agencies and/or			
departments			
(unspecified)			
12. Sectoral actors			
(e.g., healthcare,			
defense, utilities,			
education)			
13. Other			

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27. Describe	the threshold	criteria to i	dentify er	itities for	whom or	instances i	n which	complian	ce is
mandatory.									

	Government agencies and/or departments (national)
Minimum number of employees (Enter min number of full-time employees - FTEs)	(Martine)
Minimum revenue (Enter minimum revenue)	
Minimum assets (Enter minimum assets)	
Minimum contract value (Enter minimum contract value)	
Entity is headquartered in the jurisdiction	
Entities are subjected to disclosure or reporting requirements	The Government and Heads of Ministries and Agencies as prescribed in Article 20, paragraph (2) of the Public Finance Act
28. Can entities for whom compliance with the pol comply or explain)?	icy tool is mandatory opt out of the obligation (e.g.
No	
∘ Yes	
30. Does the policy tool exclusively apply to entitie	s' domestic operations, or does it also apply to
entities' operations beyond the jurisdiction?	
Operations within jurisdiction only	
o Operations beyond the jurisdiction	
Not applicable	
32. What are the sanctions for non-compliance? S	elect all that apply and describe in the text field.
☐ Monetary fine	
☐ Restriction on business activities	
□ Voiding or setting aside of contract	
☐ Exclusion from government contracts	
□ Award of damages or compensation	

☐ Penalty for senior managers
☐ Criminal penalties
✓ Not specified
□ Not applicable (e.g. in cases of voluntary tools)
□ Other
33. Relative to other compliance activities required of entities in this jurisdiction, is the cost of compliance:
o Below average
o Average
o Above average
o Not applicable
Unknown or prefer not to answer
35. To provide contextual information, give a general assessment of the extent to which regulated entities have made compliance a priority.
o Below average
o Average
AverageAbove average
 Above average
Above averageNot applicable
Above averageNot applicable
 Above average Not applicable Unknown or prefer not to answer
 Above average Not applicable Unknown or prefer not to answer
 Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced?
 Above average Not applicable Unknown or prefer not to answer 37. Have the climate-specific provisions in this instrument ever been enforced? No (If relevant, explain)

39. Are there monitoring systems in place to oversee the implementation and/or enforcement of the policy tool?
∘ No
Yes
40. Describe the monitoring systems in place. Please reference the relevant section/subsection/paragraph of the policy tool where monitoring systems are set.
The Heads of Ministries and agencies and heads of administrative agencies are required to implement necessary measures in accordance with the Basic Policy to promote contracts that consider the reduction of greenhouse gas emissions. They are also responsible for compiling and publishing an outline of contract conclusions at the end of each fiscal or business year and notifying the Minister of the Environment.
41. Does the policy tool recommend or require periodic impact assessments?
No No
 Recommended
o Required
43. Does the policy tool recommend or require periodic reviews?
o No
○ Recommended
Required
44. Select the option that best describes the frequency of the recommended or required periodic reviews.
o 0-2 years
o 2-5 years
o 5-10 years

o 10 or more years
Not specified
o Other
45. Does the policy tool include mechanisms for enhancing policy or regulatory coordination with subnational governments (e.g. vertical coordination mechanisms such as appointing coordinating agencies, forming working groups, etc.)?
No No
o Yes
47. Are there any government initiatives to enhance the capacity of targeted entities to implement or comply with the policy tool (e.g. industry working groups, outreach campaigns, education and training, etc.)?
∘ No
Yes

48. Describe initiatives for enhancing the capacity of targeted entities to implement or comply with the policy tool. Reference the relevant section/subsection/paragraph of the policy tool where capacity-building initiatives are established. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.

In order to contribute to the promotion of contracts which show consideration for the reduction of emissions of greenhouse gases, the Government shall arrange and analyze information on the status of the conclusion of contracts of the Government and administrative agencies which show consideration for the reduction of emissions of greenhouse gases, and make the results thereof widely available. See Article 10 of the Act.

The Ministry of the Environment is holding the Basic Policy explanatory meetings to promote the implementation of the Act as well as the "Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities."

(https://web.archive.org/web/20240806053737/https://www.env.go.jp/policy/hozen/green/g-law/setsumeikai.html)

The Ministry of the Environment is holding practical training sessions for local government officials.(https://web.archive.org/web/20240806053940/https://www.env.go.jp/policy/hozen/green/g-law/jitsumukenshuukai.html)

Additionally, the Ministry of the Environment is providing support for initiatives by local
governments.(https://web.archive.org/web/20240806055056/https://www.env.go.jp/policy/hozen/gre
en/g-law/net/support.html)
Additional Important Information
197. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.
<u>None</u>

Domain-Specific Questions: Public Procurement Questions
200. Does the policy tool allow, recommend, or require the alignment of public procurement spending with national and/or subnational climate targets?
o No
o Allowed and/or recommended
Required
201. Describe the obligation to align public procurement spending with national and/or subnational climate targets, referencing the relevant section/subsection/paragraph of the policy tool.
In formulating and implementing measures for promoting contracts of the Government which show consideration for the reduction of emissions of greenhouse gases, the Government is to ensure consistency with measures based on the Basic Energy Plan under Article 12, Paragraph 1 of the Basic Act on Energy Policy (Act No. 71 of 2002) and other measures in relation to the reduction of emissions of greenhouse gases. See Article 13, Paragraph 2 of the Act.

202. Does the	policy tool	set taraets in	relation to climat	e-alianed pro	ocurement? S	elect all that apply

	Allowed/recommended	Required	Not applicable
A minimum percentage of tenders/contracts which must include climate-related criteria			V
A minimum number of climate-related criteria to be included in purchases/tenders			
A minimum value of procurement spend which must include climate-related criteria			
A maximum amount of greenhouse gas emissions associated with tenders/contracts (i.e. a carbon ceiling/envelope)			
Targets for the reduction of fossil fuel energy consumption associated with tenders/contracts			
Targets for the procurement of products which have a third-party sustainability certification/ ecolabel/ voluntary sustainability standard			
Other (Please describe and reference the section/subsection/paragraph of the policy tool relevant to other climate-aligned procurement targets)			
Other Text:			
Procurement Cycle			

204. Does the policy tool make recommendations or allowances or set requirements related to climate change mitigation at the procurement planning stage? Select all that apply.

	Allowed/	Required	Not applicable
	recommended		
Procuring entities			
consider climate			
change mitigation			
and/or GHG emissions			
reductions goals when			
defining their			
procurement needs			
Procuring entities have			
a strategy, plan, or			
policy regarding the			
alignment of			
procurement practices			
with climate objectives			
Procuring entities set			✓
aside a portion of their			
procurement budgets			
for climate-aligned			
procurement			
Procuring entities			
include emissions from			
procurement in their			
carbon budget			
Procuring entities			✓
follow guidance on			
calculating			
procurement-related			
emissions			
Procuring entities inform and/or consult			
with market actors in			
advance of publishing			
the formal call for			
tenders, in relation to			
climate considerations			
(i.e. pre-procurement			
consultation,			
engagement, or			
dialogue)		_	
Other allowances,			\checkmark
recommendations or			
requirements related			
to climate change			
mitigation or GHG			
emissions at the			
procurement planning			
stage			

208. Is there a central publication point?
○ No
• Yes (Describe) The Basic Policy is published at the website of the Ministry of Environment (https://www.env.go.jp/policy/ga/kihonhoushin.html).
Life-cycle or Whole-life Costing
217. Does the policy tool recommend or require the use of life-cycle costing or whole-life costing to capture climate-related impacts (e.g. energy or fuel consumption, monetized emissions or other environmental costs, end-of-life costs, etc)?
∘ No
Allow and/or recommend
o Require
218. Describe the obligation to use life-cycle costing or whole-life costing to capture climate-related impacts, referencing the relevant section/subsection/paragraph of the policy tool.
The Basic Policy and its reference materials stipulates that life-cycle costing or whole-life costing must be taken into consideration for the six-category contracts (particularly, contracts for the design, maintenance or renovations of buildings).
219. Does the allowance, recommendation, and/or requirement to apply life-cycle costing or whole-life costing only apply to certain types of contract/tender?
○ No
• Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool) <u>Contracts for the design, maintenance or renovations of buildings</u>

220. Does the policy tool allow, recommend, or require a methodology or tool for calculating life-cycle, whole-life costs? If so, describe and reference the relevant section/subsection/paragraph of the policy tool.
No
o Allow/recommend
o Require
Tendering or Solicitation Stage

222. Does the policy tool make allowances, recommendations or set requirements at the tendering or solicitation stage? Select all that apply.

	Allowed/recommended	Required	Not applicable
Exclusion or			
debarment grounds			
based on compliance			
with climate			
obligations			
Qualification or			
selection criteria			
related to climate			
change	✓		
Including climate or environmental			
considerations when			
calculating value for money, including			
through the use of life-			
cycle or whole-life			
costing			
Technical	✓		
specifications (e.g.			
setting minimum levels			
of energy efficiency or			
maximum product			
carbon emissions)			
Contract award	✓		
criteria or value for			
money evaluation			
frameworks (e.g.			
minimum			
scores/performance			
levels under climate-			
related criteria,			
preferences for climate			
or sustainable			
products)			
Other procurement			\checkmark
stage allowances,			
recommendations or			
requirements			
Qualification or Selection Criteria			
Qualification of Selection	i Criteriu		

228. Which of the following do the qualification or selection criteria relate to? Select all that apply.
□ Previous experience related to climate-relevant aspects of the contract
☐ Existence of net zero targets or commitments
Record of climate-related disclosures
□ Climate-related transition plan in place
☐ Staff training or qualifications linked to climate change mitigation and/or sustainability
Corporate systems or certifications linked to climate change and/or sustainability
□ Environmental and/or risk-based due diligence procedures
Corporate systems or certifications linked to climate change and/or sustainability (e.g. an environmental management system or supply chain management system)
☐ Participation in national or international climate initiatives (e.g.: Race to Zero, SBTi, CDP)
□ Other
237. Describe how records of climate-related disclosures are set as a part of qualification of selection criteria, referencing the relevant section/subsection/paragraph of the policy tool.
The Basic Policy and its reference materials stipulates that records of climate-related disclosures must be taken into consideration for the six-category contracts (particularly, contracts for the supply of electricity and contracts for the disposal of industrial waste).
Life-cycle costing or whole-life costing
Technical specifications
Contract Award Criteria

Contract Performance
249. Does the policy tool make allowances, recommendations or set requirements at the contract performance stage (e.g. contract clauses, key performance indicators or conditions which must be included to monitor and report on emissions or other metrics)?
No No
Allowed and/or recommended
○ Required
Monitoring and Reporting
252. Does the policy tool include allowances, recommendations or requirements to monitor and/or report upon climate-aligned procurement?
∘ No
o Allowed and/or recommended
Required
253. Does the policy tool specify the entity responsible for monitoring and reporting?
○ No

254. Are targeted entities recommended or required to monitor and/or report any of the following data? Select all that apply.

No No
259. Is there a central publication point?
Required
Allowed and/or recommended
∘ No
258. Is it allowed, recommended or required that monitoring and reporting data be published?
255. Please describe any additional data recommended or required to be collected regarding climate-aligned procurement, referencing the relevant section/subsection/paragraph of the policy tool.
Other The result reports to be published by the Heads of Ministries and the heads of administrative agencies may include the above data, while it is not recommended or required.
☐ Climate impact or outcomes of tenders/contracts
$\hfill\square$ Audits of contractors' compliance with climate-related criteria during contract performance
\square Outcome of tenders in which climate-related criteria are applied (e.g. impact on award decision, costs, or other factors)
☐ Market response to climate-related criteria (e.g. number of tenders rejected, average or lowest/highest score awarded, feedback received)
□ Reasons for not including climate-related criteria in tenders
□ Level of ambition of climate-related criteria
□ Content of climate-related criteria
□ Value of tenders/contracts which include climate-related criteria
□ Number of tenders/contracts which include climate-related criteria
$\hfill\square$ Staff training related to climate-aligned and/or environmentally sustainable procurement
□ Adoption of a climate-aligned and/or environmentally sustainable procurement plan or policy

 Yes (Describe and reference the relevant section/subsection/paragraph of the policy tool)
260. What is the recommended or required frequency of published reports?
o Every two years
o Every three years
o Every four years
o Every five years
o Every ten years or more
○ Other
No prescribed frequency
Standards, Frameworks, and Guidelines

262. Does the policy tool require the use of or make reference to any of the following standards, frameworks, or guidelines? Select all that apply.

	Required	Referenced	Neither required nor referenced
1. Paris Agreement			✓
2. The jurisdiction's			✓
Nationally Determined			
Contribution (NDC)			
3. IFRS S1			✓
4. IFRS S2			\checkmark
5. Task Force on Climate-			\checkmark
related Financial Disclosures			
(TCFD)			
6. GHG Protocol Corporate			
Accounting and Reporting			
Standard			
7. GHG Protocol Corporate			
Value Chain (Scope 3)			
Accounting and Reporting Standard			
8. CDP (formerly known as			✓
Climate Disclosure Project)			
reporting framework			
9. Science Based Targets			
initiative (SBTi)			
10. Science Based Targets			✓
initiative (SBTi) Net Zero			
Standard			
11. United Nations			
Sustainable Development			
Goals (SDGs)			
12. ISO 20400 Sustainable			
Procurement			
13. EU Green Public			
Procurement criteria and			
guidance			✓
14. UNEP Sustainable Public Procurement			
Implementation Guidelines			
15. OECD MAPS -			
Supplementary Module on			
Sustainable Public			
Procurement			
16. Asian Development			✓
Bank Guidelines for			
Sustainable Procurement			
17. African Development			
Bank Sustainable Public			
Procurement Guidance Note			

18. Inter-American			~	
Development Bank Green				
Procurement Guidelines				
19. EDBR Project				
Requirements/Environmental				
and Social Action Plan				
20. World Bank				
Environmental and Social				
Framework				
21. Other				
Additional Important Information				

265. Note any additional important information about the contribution of the policy tool to net zero alignment not captured in the above questions. If referencing new sources (i.e. not referenced in Question 3), provide a web-archived link to the source material.