

# Tokyo “Beyond-Zero” Week 2021

- The Ministry of Economy, Trade and Industry (METI) hosted Tokyo “Beyond-Zero” Week 2021 (October 4 to 8). To realize carbon neutrality and the “Beyond-Zero” initiative (i.e., not only global carbon neutrality, but also retroactively reducing CO2 through the stock base approach), METI held conferences to present the approaches of Japan, which aims to accelerate the transition by utilizing a wide range of technologies and energy sources and to establish and publicly implement innovative technologies. A total of about 17,000 people registered as viewers of these conferences.
- The conferences brought together government officials and representatives of international organizations and research institutes from around the world, and held wide-ranging discussions on challenges in realizing “Beyond Zero,” as well as directions and methods for overcoming these challenges. With the key concepts of “Various Pathways,” “Innovation,” and “Engagement with developing countries,” the conferences disseminated information necessary for realizing a “virtuous cycle of the economy and the environment” to the world.
- The eight conferences held were as follows:
  - (1) First Asia Green Growth Partnership Ministerial Meeting
  - (2) Third International Conference on Carbon Recycling
  - (3) Fourth Hydrogen Energy Ministerial Meeting
  - (4) TCFD Summit 2021
  - (5) Tenth LNG Producer-Consumer Conference
  - (6) Eighth Innovation for Cool Earth Forum (ICEF)
  - (7) First International Conference on Fuel Ammonia
  - (8) Third Research and Development 20 for Clean Energy Technologies (RD20) (Leader’s Session)

## METI will host Tokyo “Beyond-Zero” Week 2022 next autumn

- ▶ Japan will continue to demonstrate leadership in realizing the “Beyond-Zero” initiative through the conferences, which will further develop “Various Pathways,” “Innovation,” and “Engagement with developing countries,” adding new elements, such as discussions on the use of the Green Innovation Fund launched in 2021 and border adjustment related to carbon neutrality.



**Key Points : “Various Pathways,” “Innovation,” “Engagement”**

# TCFD Summit 2021: Aim of the third round

## Past summits

### ■ October 2019: World's first TCFD Summit held in Tokyo

- ▶ Agreed on basic concepts, e.g., “from divestment to engagement,” “assessing not only risks but also opportunities is important,” and “provide platforms and momentum for holding important discussions and learn to deal with the TCFD recommendations.”
- ▶ “Green Investment Guidance” released.

### ■ October 2020: Second TCFD Summit held online

- ▶ Included sessions by practitioners to further put TCFD into practice. Participants shared their understanding and knowledge of climate-related financial disclosures, such as “importance of evaluation based on materiality by industry” and “implementation of scenario analysis and case studies.”
- ▶ “The First Zero-Emission Challenge” announced.
- ▶ TGIF Strategy presented.

## Objectives of the third summit

- Confirm continued **commitments to tackle climate change at the top level**. At this stage of enhancing disclosure content, deepen discussion on **integration of transition strategies and TCFD disclosures, methods of Scope 3 disclosures, and avoided emissions**, and communicate the **Consortium’ s international collaboration initiatives**.
- Announce Japan’ s revised “Green Investment Guidance” and “Zero Emissions Challenge 2” to the world.

# TCFD Summit 2021 Overview

## 1. Overview

**Date/Time** | October 5th (Tue) 13:00-18:30 (JST, GMT+9:00)

**Venue** | Grand Prince Hotel Takanawa + Online

**Participants** | **About 3,600** (J : about 3,450, E : about 150)

**Host** | Ministry of Economy, Trade and Industry

**Co-Host** | TCFD Consortium, WBCSD

## 2. Program

● Message

● Panel Discussion

Welcome Message | Minister of Economy, Trade and Industry (message read on his behalf)/ Vice-Minister for International Affairs, METI

Opening Remarks | ITO Kunio, Chair of the TCFD Consortium/ Engaged in TCFD globally

Keynote Speech 1 | President, GPIF/ CEO, State Street Corporation

Panel Discussion 1 | **Asset owner's role in today's TCFD disclosure landscape**

Keynote Speech 2 | Chairman, Keidanren (Japan Business Federation)/ President & CEO, Tokyo Stock Exchange, Inc.

Panel Discussion 2 | **Efforts to improve the quality of TCFD disclosure**

Keynote Speech 3 | Ministry of Economy, Trade and Industry

Panel Discussion 3 | **TCFD disclosures and transition strategy**

Keynote Speech 4 | Chairman, Japanese Bankers Association

Panel Discussion 4 | **TCFD disclosures in Trans-Pacific region**

Closing Remarks | MIZUNO Hiromichi, Special Envoy Of U.N Secretary-general On Innovative Finance And Sustainable Investment

# Climate change commitments made at the top level

- Valdis Dombrovskis (Executive Vice-President, European Commission): The EU and Japan can cooperate more in the areas of sustainable finance and climate action, and are expected to work closely together in future high-level economic dialogues and economic partnership agreements.
- Mark Carney (Finance Adviser to the Prime Minister for COP26 and UN Special Envoy for Climate Action and Finance): Ahead of COP26, we are calling on major countries to make TCFD disclosures mandatory. Japan has been a leader in voluntary disclosures and has also adapted progressively to mandatory disclosures by revising its Corporate Governance Code.
- Mary L. Schapiro (Head of the TCFD Secretariat): The establishment of a global standard for climate and sustainability reporting is an important mission for the TCFD and the TCFD recommendations serve as a foundation for these standards, acting as a common thread to tie together this work to establish the standards.
- KURODA Haruhiko (Governor of the Bank of Japan): The BoJ decided on a comprehensive action policy on climate change and will enhance TCFD disclosures by financial institutions through monetary policy and dialogues during examinations and monitoring, and will also work on the BoJ's own TCFD disclosures.
- Peter Bakker (President & Chief Executive Officer of WBCSD): We must strengthen communication and alignment between companies and investors in order to integrate sustainability into capital allocation decisions.
- ITO Kunio (Chair of the TCFD Consortium): In response to the growing interest in disclosures, the TCFD Consortium revised the Green Investment Guidance guide for investors, conducted roundtables to enhance dialogue among the financial, business, and government sectors, and deepened international collaboration.

## Opening Remarks

<b>Valdis Dombrovskis</b>	(Executive Vice-President, European Commission)	
<b>Mark Carney</b>	(Finance Adviser to the Prime Minister for COP26 and UN Special Envoy for Climate Action and Finance)	
<b>Mary L. Schapiro</b>	(Head of the TCFD Secretariat)	<b>KURODA Haruhiko</b> (Governor of the Bank of Japan)
<b>Peter Bakker</b>	(President & Chief Executive Officer of WBCSD)	
<b>ITO Kunio</b>	(Chair of the TCFD Consortium, Director of Hitotsubashi CFO Education and Research Center)	



**Valdis Dombrovskis**  
Executive Vice-President,  
European Commission



**Mark Carney**  
Finance Adviser to the Prime Minister for COP26 and  
UN Special Envoy for Climate Action and Finance



**Mary L. Schapiro**  
Head of the TCFD Secretariat



**KURODA Haruhiko**  
Governor of the Bank of Japan



**Peter Bakker**  
President & CEO of WBCSD



**ITO Kunio**  
Chair of the TCFD Consortium

# Messages communicated in the panel discussions

## Discussion 1

### Asset owner's role in today's TCFD disclosure landscape

Moderator: MIZUNO Hiromichi (Special Envoy Of U.N Secretary-general On Innovative Finance And Sustainable Investment)

- ▶ TCFD disclosures have become indispensable as disclosures become mandatory. Because asset owners need to conduct analyses of long-term benefits, it is hoped that metrics and targets that contribute to this analysis are disclosed and standardized. Commitment by banks is also important.
- ▶ Net zero commitments by investors should be achieved through engagement rather than divestment.

## Discussion 2

### Efforts to improve the quality of TCFD disclosure

Moderator: NAGAMURA Masaaki (Fellow International Initiatives, Tokio Marine Holdings, Inc.)

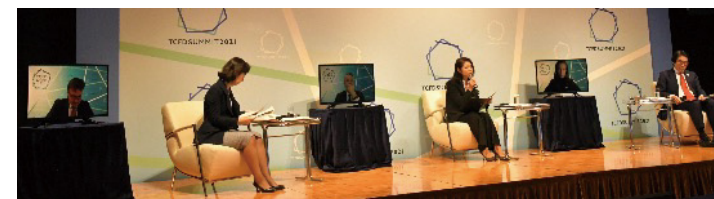
- ▶ Panelists confirmed the importance of Scope 3 disclosures and elaborated on their efforts to reduce emissions throughout the value chain. Getting recognition for contribution to society-wide CO2 emissions reductions gives companies motivation.
- ▶ Investors should evaluate the value created by corporate strategies. Dialogue between investors and companies is important for companies to exercise creativity. Disclosures must not merely become a tick-box exercise.

## Discussion 3

### TCFD disclosures and transition strategy

Moderator: ITO Kunio (Chair of the TCFD Consortium, Director of Hitotsubashi CFO Education and Research Center)

- ▶ Discussed the affinity between the disclosures required in transition finance and the disclosures of transition plans required by TCFD disclosures.
- ▶ Energy companies shared their transition finance experiences. The disclosure of transition plans is especially important for energy companies that also need to shift their business portfolio.



## Discussion 4

### TCFD disclosures in Trans-Pacific region

Moderator: FUJIMURA Takehiro (General Manager, Corporate Sustainability & CSR Department, Mitsubishi Corporation)

- ▶ Asian financial institutions, companies, and a consortium launched in Mexico modeled on the TCFD Consortium discussed promotion of global TCFD disclosures.
- ▶ Much of Asia is an emerging market, and many companies need to transition to a low-carbon economy. Corporate disclosures are important for credible transition financing. Such disclosures should comply with the TCFD recommendations.

# TCFD Summit Summary of Results: Closing Remarks

- COP26 will be the most important COP, as world leaders, including the Government of Japan, declare their commitment to reach carbon neutrality by 2050. It is meaningful that this summit was held prior to COP26, and that a number of important points were made and the importance of the TCFD was reaffirmed. I expect that many initiatives will be announced in the lead-up to COP, and that Japan will continue to exercise leadership in promoting the TCFD.
- Asset owners have a significant role. It is essential to use collective engagement and fulfill responsible ownership through engagement rather than divestment.
- Reducing life-cycle emissions is critical, but there are practical challenges. Methods of calculating emissions must be established for Scope 3 disclosures. We also need to recognize the principles of why Scope 3 is necessary and not let the standardization of metrics become a tick-box exercise.
- The transition to sustainable businesses is vital. At this time, it is unrealistic for everyone to turn completely green. We must gradually change to a lower emission business model. A roadmap or pathway is needed in order to keep transition finance from turning into greenwashing, and such roadmaps and pathways will be announced by governments and industries.
- It has become clear that countries must help each other to this end. It is striking that Mexico in particular is promoting disclosures by getting ideas from the Japanese consortium.
- The ultimate goal of the TCFD is to use it as a framework to advance the discussion on climate change, induce business and capital shifts, and create a better future.

## <TCFD Summit 2021 Related Links>

- Summit HP <https://tcf-summit.go.jp/index.html>
- Summit Video 1 <https://youtu.be/380lr2z5vrg> / <https://youtu.be/aHb9ePvT8RI>  
(English Audio/Original Audio)
- Summit Video 2 <https://youtu.be/1N18ULs4CrY> / [https://youtu.be/HRo\\_7a9tcFQ](https://youtu.be/HRo_7a9tcFQ)  
(English Audio/Original Audio)
- Summit Video 3 <https://youtu.be/CUajQDTNRFY> / <https://youtu.be/QQYgZDYhkEU>  
(English Audio/Original Audio)
- Key Takeaways [https://tcf-summit.go.jp/assets/dl/reault/key\\_takeaways.pdf](https://tcf-summit.go.jp/assets/dl/reault/key_takeaways.pdf)

Closing Remarks

**MIZUNO Hiromichi**

(Special Envoy Of U.N Secretary-general  
On Innovative Finance And Sustainable Investment)



# [Reference] TCFD Summit Summary of Results (1): Welcome Message

- Minister of Economy, Trade and Industry Hagiuda delivered remarks to open the summit (read by a METI official on his behalf). The remarks stated it was important that Japan rise to the challenge of achieving its targets and becoming carbon neutral by 2050, and contribute to global carbon neutrality. He noted that as with Japan, it is important all countries pursue their own variety of paths to achievement, in line with their actual circumstances, and creating innovation would be the key. He said the Japanese Government will support TCFD disclosure and take the initiative in contributing to measures against climate change.
- Vice-Minister for International Affairs Hirose stated the following. With a view toward total carbon neutrality worldwide, Japan will lead global decarbonization by aiming to establish innovative technologies and actually implementing them within society, in order to achieve “Beyond Zero.” By funding these technologies, Japan will aim to create a trend whereby financing provides companies with the impetus to engage in efforts toward achieving carbon neutrality. In doing so, disclosure will become the basis on which companies’ endeavors are assessed. Against this backdrop, Vice-Minister Hirose stated that METI would continue to support the promotion of TCFD disclosures. In addition, he released a list of approximately 600 companies for this year’s companies that are tirelessly pursuing innovation toward a decarbonized society as “Companies Taking on the Zero-Emission Challenge.”

## Welcome Message

**HAGIUDA Koichi** (Minister of Economy, Trade and Industry)

\*Message read on behalf

**HIROSE Naoshi** (Vice-Minister for International Affairs, METI)



**HAGIUDA Koichi**  
(Minister of Economy, Trade and Industry)



**HIROSE Naoshi**  
(Vice-Minister for International Affairs, METI)

# [Reference] TCFD Summit Summary of Results (2): Discussion 1 “Asset owner’s role in today’s TCFD disclosure landscape”

- GPIF President Miyazono stated that the GPIF would work to improve analysis to properly identify the impact of climate change on corporate value and industrial structure, while also striving to improve the sustainability of the market as a whole.
- State Street Chairman O’Hanley expected more companies to adopt and endorse the TCFD recommendations, and stated that State Street would assist in sharing industry best practices rather than taking a one-size-fits-all approach.
- It was noted that amidst the trend toward decarbonization, the TCFD framework has become indispensable, mandatory disclosure efforts are under way, and in this past year disclosures gained further in importance.
- Asset owners discussed their need to allocate capital based on reliable data, making it important to consider long-term benefits based on disclosure of metrics and targets and other quantitative analysis. To conduct this analysis, they hoped disclosures would become standardized. It was recommended that, in the financial industry, commitments be made not only by asset owners but also banks whose investments and loans are illiquid.
- Net zero commitments by investors will not be achieved by divestment; engagement is the solution. Asset owners will practice engagement not only individually but also collectively. Asset managers said they would discuss a clear approach with asset owners, drawing on the results of quantitative scenario analysis.
- It was recommended that governments present concrete plans in addition to commitments, since public-private cooperation is required for the realization of the Paris Agreement.

Keynote Speech 1	<b>MIYAZONO Masataka</b>	(President, Government Pension Investment Fund)
	<b>Ronald P. O’Hanley</b>	(Chairman and CEO, State Street Corporation)

Panel Discussion1	<b>&lt;Moderator&gt;</b>	
	<b>MIZUNO Hiromichi</b>	(Special Envoy Of U.N Secretary-general On Innovative Finance And Sustainable Investment)
	<b>&lt;Panelist&gt;</b>	
	<b>Marcie Frost</b>	(CEO, California Public Employees' Retirement System (CalPERS))
	<b>SUGANO Akira</b>	(President & CEO, Asset Management One Co., Ltd.)
	<b>Edward Baker</b>	(Head of Climate Policy, PRI)
	<b>SHIGEMOTO Kazuyuki</b>	(Executive Officer, Chief General Manager, Investment, The Dai-ichi Life Insurance Company, Limited)



**MIYAZONO Masataka**  
(President, GPIF)



**Ronald P. O’Hanley**  
(Chairman and CEO, State Street Corporation)



Panel Discussion 1



# [Reference] TCFD Summit Summary of Results (3): Discussion 2 “Efforts to improve the quality of TCFD disclosure”

- Chairman Tokura of Keidanren stated that it would work to further expand the number of TCFD supporters and deepen dialogue with financial institutions and investors, alongside participating in discussions and disseminating information on transition finance. In addition, Keidanren would make efforts to reduce emissions across the entire value chain.
- President & CEO Yamaji of Tokyo Stock Exchange explained that companies listed on the new prime market to be launched next year are required to enhance the quality and quantity of their disclosures based on the TCFD or an equivalent framework. He said it was essential that TCFD disclosures make progress, that disclosure information be used for corporate valuation, and that funding be provided for companies that proactively address climate change, for transition to a low-carbon economy, and for innovative technologies.
- Company, financial institution, government authority, and TCFD representatives exchanged views on the leading issues of TCFD disclosures. Mandatory TCFD disclosure and the establishment of international standards are making headway around the world. Investor-company dialogue is important for companies to exercise creativity, and it was recommended that disclosures not merely become a tick-box-type exercise.
- Guides have been created for assisting more enhanced disclosures. Presentations were made on the TCFD proposed guidance on metrics, targets, and transition plans and the associated portfolio alignment, as well as on the revisions made to Japan’s Green Investment Guidance. The TCFD expressed appreciation for the comments submitted to the public consultation on the proposed guidance, and explained that it attaches great importance to the responses received during the public consultation.
- With regard to TCFD disclosures, panelists shared the view that it is important, albeit difficult, to identify and reduce Scope 3 emissions, and elaborated on efforts to reduce emissions throughout the value chain. Companies said it provides motivation when they are recognized for their contribution to society-wide CO2 emissions reductions through new products and technologies. Investors expressed the opinion that investee companies’ disclosure of strategies in line with the TCFD recommendations is useful for portfolio management, and that investors should evaluate the value created by corporate strategies.

Keynote  
Speech 2

**TOKURA Masakazu** (Chairman of Keidanren)  
**YAMAJI Hiromi** (President & CEO, Tokyo Stock Exchange, Inc.)



**TOKURA Masakazu**  
(Chairman of Keidanren)



**YAMAJI Hiromi**  
(President & CEO, Tokyo Stock Exchange, Inc.)

Panel  
Discussion2

**<Moderator>**  
**NAGAMURA Masaaki** (Fellow International Initiatives, Tokio Marine Holdings, Inc.)

**<Panelist>**  
**IKEDA Satoshi** (Chief Sustainable Finance Officer, Strategy Development and Management Bureau, Financial Services Agency)  
**Becky Swanson** (TCFD Secretariat Support/ Senior Consultant, Financial Services, Oliver Wyman)  
**TSUDA Megumu** (Deputy General Manager of Sustainability Promotion Division, Government & External Relations Group, Hitachi, Ltd.)



Panel Discussion 2

# [Reference] TCFD Summit Summary of Results (4): Discussion 3 “TCFD disclosures and transition strategy”

- Director-General Nasuno of the Industrial Science and Technology Policy and Environment Bureau, METI presented on the transition finance measures of the Government of Japan.
- Discussions were held with Japanese and overseas energy companies on the affinity between the disclosures required in transition finance and the disclosures of transition plans required by TCFD disclosures.
- Investors, banks and insurance companies must support the transitions of companies, and companies must seize business opportunities created by climate change in their transition planning. Climate-related metrics and targets must form the basis of transition plans, and the plans need to be given credibility through supervision and accountability. This is also in line with the transition finance approach promoted by ICMA.
- Transition finance is essential for companies around the world that are aiming to become carbon neutral, and the disclosure of transition plans is especially important for energy companies that also need to shift their business portfolio. Energy companies shared their experiences with transition finance and their expectations for finance going forward.

## Keynote Speech 3

**NASUNO Futoshi**

(Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry)

## Panel Discussion3

### <Moderator>

**ITO Kunio**

(Chair of the TCFD Consortium, Director of Hitotsubashi CFO Education and Research Center)

### <Panelist>

**Kaja Pergar**

(TCFD Secretariat Support / Engagement Manager, Climate and Sustainability, Oliver Wyman)

**Nicholas Pfaff**

(Head of Sustainable Finance, ICMA)

**Sergio Molisani**

(Finance, Insurance, Tax Director & SVP International Assets, Snam SpA)

**TERAKAMI Michiyo**

(Executive Officer (Regional Revitalization Business Department) and General Manager, Corporate Sustainability Department, Idemitsu Kosan Co., Ltd.)

**HAYASHI Reiko**

(Director and Deputy President, BofA Securities Japan Co., Ltd.)



**NASUNO Futoshi**  
(Director-General, Industrial Science and Technology Policy and Environment Bureau, METI)



Panel Discussion 3

# [Reference] TCFD Summit Summary of Results (5): Discussion 4 "TCFD disclosures in Trans-Pacific region"

- Chairman Takashima of the Japanese Bankers Association stated the Japanese banking industry would work with customers to achieve the transition to a decarbonized society, engaging with them rather than simply divesting. In addition, he indicated that information on customers' transition strategies and greenhouse gas emissions data is particularly important for banks to provide support to companies.
- Members of Asian financial institutions, companies, and a consortium launched in Mexico held wide-ranging discussions on the promotion of global TCFD disclosures. They shared their understanding of the need for decarbonization in Asia and the Trans-Pacific region and the usefulness of disclosures to this end, and delivered presentations on their experience of structuring transition loans based on disclosure.
- Much of the Asian region is an emerging market, making rapid decarbonization difficult. Given the large number of companies that need to transition to a low-carbon economy, financial institutions expressed the view that corporate information disclosure is important for implementing credible transition financing and supporting customer strategies, and that such disclosure should be in line with the TCFD recommendations. It was also advised that companies embarking on disclosures should understand the future benefits and create a cross-company disclosure system, and that they should make use of external experts.
- Mexico delivered a presentation on the trend of establishing TCFD consortiums and its use of Japan's TCFD Consortium as a model case.

## Keynote Speech 4

**TAKASHIMA Makoto** (Chairman, Japanese Bankers Association/ President and CEO, Sumitomo Mitsui Banking Corporation)

## Panel Discussion 4

### <Moderator>

**FUJIMURA Takehiro** (General Manager, Corporate Sustainability & CSR Department, Mitsubishi Corporation)

### <Panelist>

**Ma. Victoria A. Tan** (Executive Director, Group Risk Management And Sustainability, Ayala Corporation)

**TANAKA Toshiaki** (Member of the Board, Senior Managing Executive Officer, Chief Environment & Sustainability Officer, Director General, Dry Bulk Business Unit, Mitsui O.S.K. Lines, Ltd.)

**Yulanda Chung** (Head Of Sustainability, Institutional Banking Group, DBS Bank)

**OSHIMA Koichiro** (Managing Executive Officer, Head of Financial Solutions Group, MUFG Bank, Ltd.)

### <Video message>

**Juan Carlos Belausteguigoitia** (Consortio TCFD México/ Director, Centro De Energía Y Recursos Naturales, Instituto Tecnológico Autónomo De México)



**TAKASHIMA Makoto**  
(Chairman, Japanese Bankers Association)



Panel Discussion 4