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Disclosure Status in Accordance with TCFD (Strategy)

Disclosure of Climate-related Information in Voluntary Disclosures by TOPIX500 Employers

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Summary

- This paper summarizes the status of disclosures in accordance with TCFD as of the end of September 2022 of the 439 TOPIX500 member companies that have issued voluntary disclosure documents (integrated reports, sustainability reports, etc.), and describes the suggestions obtained for future disclosure. This paper focuses on the subject of strategy from among the disclosures required under TCFD, which include governance, strategy, risk management, and indicators & targets for climate change.
- Regarding strategy, many companies disclosed known climate-related risks and opportunities and their impacts (329 companies), the magnitude of the impacts (216 companies), and countermeasures for risks (241 companies). There were also 250 companies that referred to the scenarios of external organizations in conducting scenario analyses. In particular, many companies used the scenarios of IPCC (213) and IEA (200).
- We believe information on strategy is the core of disclosures in line with TCFD, as it has a particularly large impact on investors' decision making. In the future, it is assumed that the disclosure of sustainability information will be required in the securities report. Companies can enhance their sustainable corporate value by implementing strategies that specify climate related risks and opportunities and incorporate their impact. It is hoped that companies will start wherever they can and move forward, and disclose information that serves investor decisions well.

Attention

This report is a summary translation. The official document is only in Japanese.