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Human Capital Attracting Attention in ESG Investment

Growing trend demands that corporations expand disclosure of human capital-related information

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Summary

- Human capital is one of the decision elements of ESG investment, and as ESG investment expands, institutional investor's interest is increasing. In the U.S. and EU, it has already become mandatory for listed companies to disclose information on human capital, which is necessary for investment decisions. Ideal means of disclosing information on human capital are also being discussed in Japan.
- Information on human capital covers a wide range of topics, including labor practices, health and safety, diversity, and education. Information on human capital, which is important to corporate value, varies depending on the company's operations and the country or region in which it operates.
- Moves to require companies to increase their disclosure of human capital will intensify in the future. Regardless of whether disclosure becomes mandatory or not in Japan, companies should deepen engagement with investors and other entities and consider specific disclosures.

Attention

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