

# The JBA SDGs Report 2023-2024



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## Introduction

The year 2023 marked the 150th anniversary of the establishment of Daiichi National Bank, which was Japan's first bank. This was also a "year that showed signs of change" for the Japanese economy after a long period of zero inflation, with notable signs of change including a large hike of about 3% in consumer prices, a high level of pay increases for the first time in 30 years, and the highest Nikkei stock average since the bubble economy burst. Outside of Japan, the outlook remained uncertain, with financial system instability triggered by the failures of the US regional banks, concerns that inflation and monetary tightening in Europe and the US would lead to a hard landing of the economy, and ongoing geopolitical risks. Domestically, despite the impacts of global price increases and economic slowdowns, the diminishing concerns over COVID-19 bolstered a sustained recovery trend overall, particularly within the service sector.

In this context, the Japanese Bankers Association (JBA) designated 2023 as "a year where we support the sustainable development of society and the economy to achieve a bright future," and continued to advance initiatives aligned with the Sustainable Development Goals (SDGs).

These initiatives included planning and participating in international conferences to offer information about the promotion of transitions toward the realization of a sustainable environment and society, focusing on carbon neutrality and net-zero goals. Additionally, as the framework for non-financial information disclosure is being developed, the JBA has engaged in discussions to standardize the disclosure, particularly incorporating the needs of SME.

Furthermore, the JBA engaged in activities to improve financial literacy, such as disseminating the new NISA system and started dispatching instructors to workplaces during this fiscal year. These efforts are part of its activities to promote financial and economic education aimed at supporting asset formation.

Moreover, achieving a safe, stable and convenient financial infrastructure in light of technological progress in digitization, the JBA made efforts to improve the operation efficiency of companies and other organization by fully digitizing bills and checks, and supported QR code-based tax payments for some local tax items.

These activities and results have been compiled in the "JBA SDGs Report 2023-2024."

In order to build a sustainable environment and society, it is essential to create a social environment that meets the challenge of creating new value and achieving growth. The JBA is committed to accurately understanding the needs of the economy and society, and will continue to do its utmost to support the efforts of its member banks. We hope that the publication of this report will contribute to further promoting SDG-related initiatives within the banking sector.

June 2024

**Japanese Bankers Association**



## SUSTAINABLE DEVELOPMENT GOALS



# The JBA's SDGs Promotion Framework and Key Initiatives

## (1) Background

The SDGs were adopted in September 2015 at the United Nations Sustainable Development Summit, together with a declaration for all United Nations member states to act towards achieving in the interim from 2016 to 2030 their goals for sustainable development. Since the establishment of the "SDGs Promotion Headquarters" in May 2016, headed by the Prime Minister, the Japanese government has advanced various initiatives. These include the adoption of the "SDGs Action Plan 2023" in March 2023 and the revision of the SDGs Implementation Guidelines in December 2023.

The financial industry has been seeing progress in discussions surrounding ESG (Environment, Social, and Governance) finance, i.e., finance with consideration of ESG, and the disclosure of non-financial information (sustainability disclosure) based on sustainable finance and TCFD<sup>\*</sup> recommendations. At the same time, expectations continue to be high regarding the role that financial institutions should play in responding to climate change issues.

Japan's banking industry, as a provider of customer services and as a cornerstone of social infrastructure, has traditionally been engaged in various kinds of efforts, including the development of financial infrastructure and social contribution activities. Additionally, in order to strengthen medium- and long-term efforts surrounding the issues set out in the SDGs, in March 2018 the JBA decided to establish an SDGs promotion framework and determine key initiatives related to the 17 SDGs, and has been promoting specific measures attended by reviews as the need arises.

<sup>\*</sup>TCFD: Task Force on Climate-related Financial Disclosures

In response to a request from the G20 finance ministers and central bank governors, in December 2015, the Financial Stability Board (FSB) established the private sector-led Task Force on Climate-related Financial Disclosures (TCFD) and initiated deliberations on the approach that the financial sector should take with regard to climate change issues. The TCFD published in June 2017 its final report aimed at assessing and disclosing the financial consequences of the risks and opportunities that climate change might cause, and recommends that companies and others disclose climate-related risks and opportunities. The initiative to disclose climate-related information for companies, based on the TCFD proposal, has reached fruition in the integration of the IFRS sustainability disclosure standards, which are international standards adopted in June 2023. Aligned with this movement, the TCFD concluded its roles in 2023. Starting in 2024, the IFRS Foundation will assume responsibility for monitoring the progress of climate-related information disclosures by companies.

## (2) The SDGs Promotion Framework

The challenges posed by the SDGs are very diverse, and it is vital to address them over the medium- and long-term. In order to allow the lateral participation of all JBA working committees and to enable a well-grounded approach, the JBA has set up a "Working Committee on the SDGs/ESG" under the auspices of its Planning Committee and established a framework for comprehensive measures regarding SDGs in ongoing coordination with relevant individual working committees. In light of the continuously shifting parameters in society and in the environment of the banking industry, the JBA determined that SDGs are to be addressed over the medium- and long-term. Specifically, with reference to the PDCA (Plan/Do/Check/Action) cycle application, centered on the Working Committee on the SDGs/ESG, the framework provides for the drafting (P) of measures, and the handling of general matters while enabling the delegation (D) of tasks to the project-relevant working committees, with periodic progress checks and necessary revisions (C/A).

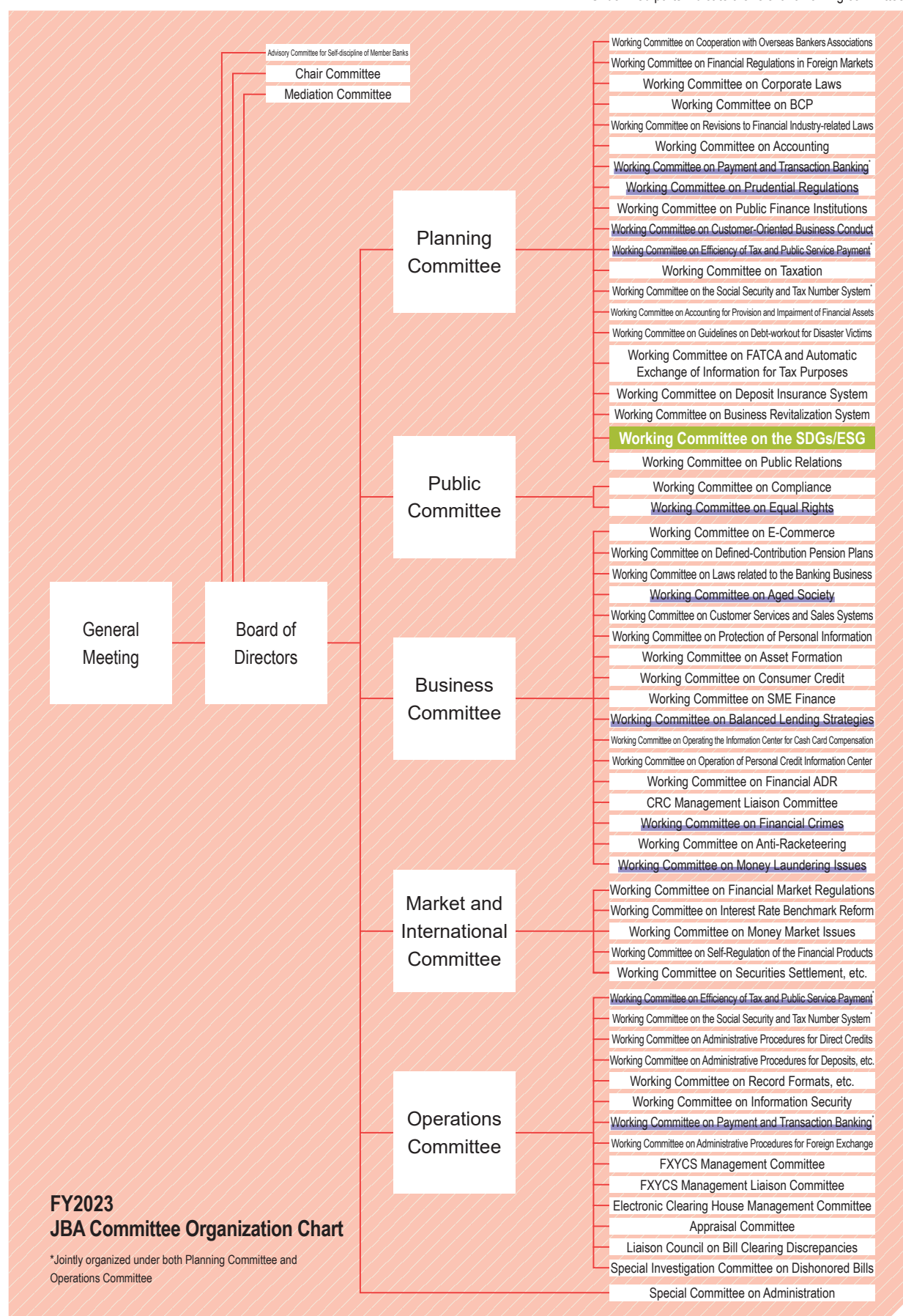
The FY2023 promotion framework is shown on page 7.

## (3) Key Initiatives of the JBA

After deciding on key initiatives at its Board of Directors meeting in March 2018, the JBA carried out specific efforts while conducting reviews as necessary. The key initiatives for FY2023 are shown on pages 8 to 10.

## JBA FY2023 SDGs Promotion Framework





\*Underlined parts indicate the relevant working committees



## Key Initiatives for FY2023

Issues (main items)	Issues (sub-items)	FY2023 specific initiatives
<b>1 Further promoting the SDG/ESG initiatives implemented by member banks</b> <b>(Common to all Goals)</b> Responsible body: Working Committee on the SDGs/ESG	Further promote the SDGs/ESG initiatives implemented by member banks	<ul style="list-style-type: none"> <li>Follow up on key initiatives for SDGs and review the requirements in light of the environment surrounding the banking industry.</li> <li>Continue to conduct surveys for assessing the progress of SDG initiatives implemented by member banks as well as provide information through means such as publishing the JBA SDG Report in order to disseminate and promote initiatives by member banks.</li> </ul>
     <b>2 Fulfilling the role expected of the banking industry in achieving a sustainable society, such as a "just transition" to carbon neutrality/net zero emissions by 2050</b> <b>(Goals 7, 12, 13, 14 and 15)</b> Responsible body: Working Committee on the SDGs/ESG, Working Committee on Prudential Regulations	<p>(1) Fulfill the role expected of the banking industry in achieving a sustainable society, such as a "just transition" to carbon neutrality/net zero emissions by 2050</p> <p>(2) Conduct research on the progress of initiatives implemented by member banks for carbon neutrality by 2050</p>	<ul style="list-style-type: none"> <li>Support member banks' initiatives regarding engagement and hold study sessions inviting stakeholders such as relevant industrial organizations and ministries.</li> <li>Follow the trends in assessment guidance/criteria regarding sustainable finance, share examples of leading initiatives, participate in relevant government councils and share the banking industry's views.</li> <li>Disseminate and follow up on discussions regarding the progress of sustainable finance such as trends in impact investment to create environmental and societal impact, and cooperate with SME organizations and engage in public advocacy for support programs.</li> <li>For enhancing disclosure of sustainability and non-financial information at companies and our member banks, monitor the progress of TCFD disclosure by our member banks as well as follow up on and share views about the domestic and global development, such as the International Sustainability Standards Board of the IFRS Foundation and the Financial System Council of JFSA.</li> <li>Participate in domestic and international discussions on climate-related financial risks as well as follow up on and share views about the progress of consideration at the relevant ministries and agencies.</li> <li>Follow up on international discussions on natural capital and biodiversity, and gather information in a flexible manner utilizing the TNFD Forum, etc.</li> </ul>
 <b>3 Implementing activities for regional economic revitalization and local invigoration</b> <b>(Goal 8)</b> Responsible body: Working Committee on Balanced Lending Strategies	Implement activities for regional economic revitalization and local invigoration	<ul style="list-style-type: none"> <li>Follow up on measures for local invigoration by the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan and the relevant ministries and agencies, municipalities, etc., as well as implement measures such as responding as necessary to requests for survey cooperation or dissemination.</li> <li>Conduct surveys on example initiatives for local invigoration implemented by member banks and release information externally.</li> <li>Collect information related to local invigoration through the "SDGs for Regional Revitalization Public-Private Partnership Platform" etc., as well as support initiatives by individual banks for local invigoration, such as by sharing information with member banks as necessary.</li> </ul>

Issues (main items)	Issues (sub-items)	FY2023 specific initiatives
 <p><b>4 Improving the financial literacy of Japanese residents by promoting financial literacy education activities (Goal 4)</b> Responsible body: Working Committee on the SDGs/ESG, Working Committee on Customer-Oriented Business Conduct</p>	<p>Expand activities for financial literacy education by JBA and member banks as well as improve cooperation with related financial organizations, etc., in order to promote said activities to be more for the public good</p>	<p>(Response to establishment of the Organization for Financial and Economic Education (tentative name))</p> <ul style="list-style-type: none"> <li>Take necessary actions in response to the "Doubling Asset-based Income Plan" decided in November 2022 and the interim report from the Financial System Council's "Task Force on Customer-Oriented Business Conduct" released in December 2022, which stated a new Organization for Financial and Economic Education (tentative name) will be established in 2024, seeking that "along with the Japanese government and the Bank of Japan, cooperation will be obtained from private organizations, such as the Japanese Bankers Association and Japan Securities Dealers Association, in developing and establishing an operational structure, and securing operating expenses."</li> <li>Research the JBA's financial literacy education activities and cooperative measures with other financial related organizations, taking into account the status of preparations for the establishment of the above-mentioned new organization.</li> </ul> <p>(Measures common to all levels)</p> <ul style="list-style-type: none"> <li>Research and implement lecturer dispatching as well as creation, reviews and provision of various learning materials in light of the environment surrounding financial literacy education, taking account of the government's deliberations on a system for promoting financial literacy, the promotion of stable asset formation for households, the ongoing COVID-19 pandemic, and the development of ICT.</li> </ul> <p>(Measures for students)</p> <ul style="list-style-type: none"> <li>Research and implement cooperation with boards of education in order to expand financial literacy education in school education in light of the lowered age of majority and new government curriculum guidelines through the "Designating Financial Literacy Education Schools" framework, as well as support for activities to increase awareness for preventing emerging types of fraud conducted by high school students.</li> </ul> <p>(Measures for universities, young working individuals)</p> <ul style="list-style-type: none"> <li>Research and implement public relations activities for financial literacy education geared at young working individuals with the aim of promoting planned household management and stable asset formation.</li> </ul> <p>(Cooperation measures with member banks, other financial organizations and the like)</p> <ul style="list-style-type: none"> <li>Conduct surveys in order to assess and promote initiatives implemented by member banks for financial literacy education activities as well as share the results thereof, including positive examples.</li> <li>Implement collaboration and cooperative measures with the Japan Securities Dealers Association aimed at helping improve the financial literacy of Japanese residents and solve the problem of poverty for children and youth (measures include joint use of lecturer human resources, promoting use of bank retirees/securities dealer retirees as lecturers, co-hosting events and seminars, etc.), as well as research and implement initiatives for discovering needs for financial literacy education.</li> </ul>
 <p><b>5 Promoting wider access to finance and financial services for the elderly and other users (Goal 8)</b> Responsible body: Working Committee on Aged Society, Working Committee on the SDGs/ESG, Working Committee on Equal Rights</p>	<p>Promote efforts for wider access to finance and financial access services for the elderly and other users</p>	<ul style="list-style-type: none"> <li>Follow up on the trends at the government and related organizations as well as the progress of initiatives implemented by member banks regarding financial transactions with elderly customers and provide relevant information to member banks as necessary. Also, research and implement measures for updating the concept and creating new concepts regarding carrying out financial transactions by substitutes and improved collaboration between banks and regional public organizations, social welfare agencies, etc.</li> <li>Continue to conduct surveys for assessing the progress of barrier-free initiatives implemented by member banks, express opinions during follow-up hearings for discussions with relevant ministries and agencies, and share information with member banks.</li> </ul>

Issues (main items)	Issues (sub-items)	FY2023 specific initiatives
 <b>6 Promoting digitization and providing safe, secure and highly-convenient financial services</b> <b>(Goal 9)</b> Responsible body: Working Committee on Payment and Transaction Banking, Working Committee on Efficiency of Tax and Public Service Payment	(1) Promote the usage of the Zengin EDI System (ZEDI) through encouragement at relevant ministries and agencies and relevant industrial organizations as well as seamless linkage with electronic invoices	<ul style="list-style-type: none"> <li>Enhance activities to inform business operators of the launch of the invoice system in October 2023, including improvements to business efficiency through seamless linkage of e-invoicing and financial EDI (if ZEDI is to be renewed).</li> <li>Collaborate on defining requirements and performing basic design for the renewal of ZEDI by Zengin-Net.</li> <li>Participate in the "Future Vision of Business-to-Business Transactions Study Group" in the Digital Architecture Design Center of the Information-technology Promotion Agency, follow up on the status of the discussions, and collaborate with related parties as necessary.</li> <li>Continue to encourage the relevant ministries and agencies as well as relevant industrial organizations to promote the usage of ZEDI.</li> </ul>
	(2) Promote initiatives for the full digitization of bills and checks	<ul style="list-style-type: none"> <li>Follow up on the progress of initiatives in the banking industry to achieve the final target (completely eliminating exchanges by the end of FY2026) based on the "Voluntary Action Plan for the Full Digitization of Bills and Checks" that was formulated in the financial industry, and review the necessity of new initiatives and policies based on the results of the user survey targeted at the bank's corporate clients.</li> <li>Collaborate with the relevant ministries and agencies such as the Financial Services Agency and the Small and Medium Enterprise Agency and then encourage the industrial sector towards the full digitization of bills and checks.</li> <li>Conduct dissemination and public relations activities related to the digitization of bills and checks in collaboration with densai.net.</li> <li>Collaborate with the relevant institutions as well as relevant ministries and agencies to implement initiatives to minimize the number of exchanged securities excluding bills and checks (other types of products).</li> </ul>
	(3) Promote efficiency improvements in the collection of taxes and public dues (begin using a unified QR code system to facilitate local tax payments from FY2023)	<ul style="list-style-type: none"> <li>Implement the support necessary for using a QR code system in local tax payments based on the current situation as well as implement the support necessary for expanding the usage scope of QR code systems beyond local tax payments.</li> <li>Assess issues regarding the electronic payment of taxes and public dues through hearings and the like with member banks as well as implement activities for requesting that related parties promote electronic payment of taxes and public dues.</li> <li>Research and implement effective measures for promoting the spread of electronic payment of taxes and public dues.</li> </ul>
 <b>7 Implementing measures to prevent financial crimes and money laundering, and actions to meet FATF recommendations</b> <b>(Goal 16)</b> Responsible body: Working Committee on Financial Crimes, Working Committee on Money Laundering Issues	(1) Prevent damages from financial crimes	<ul style="list-style-type: none"> <li>Expand initiatives in light of crime trends such as emerging types of fraud and phishing (implement awareness activities for preventing financial crime, etc.).</li> <li>Research and implement measures such as providing information or warnings to member banks about the current criminal tactics such as unauthorized internet banking withdrawals, as well as carrying out public relations activities for customers on said activities.</li> </ul>
	(2) Create a more sophisticated AML/CFT response	<ul style="list-style-type: none"> <li>Provide information and consider measures regarding FATF-related issues.</li> <li>Collect information on AML/CFT trends and provide information such as leading initiatives and translations of important documents.</li> <li>Implement dissemination and public relations activities for customers related to the implementation of Ongoing Customer Due Diligence and the like.</li> <li>Improve collaboration with the relevant authorities and other industries (including cooperative financial institutions) through the Public and Private Sectors Liaison Meeting on Advanced Measures against Money Laundering.</li> </ul>
  <b>8 Expanding initiatives in light of trends regarding human rights and diversity</b> <b>(Goals 5 and 10)</b> Responsible body: Working Committee on Equal Rights, Working Committee on the SDGs/ESG	Expand initiatives in light of trends regarding human rights and diversity	<ul style="list-style-type: none"> <li>Provide relevant information (hold lectures on human rights, issue a human rights newsletter, etc.).</li> <li>Implement support for human rights awareness activities (create human rights texts, hold applications/awards for human rights awareness mottos, etc.).</li> </ul>
	Provide support to promote understanding and initiatives related to human capital	<ul style="list-style-type: none"> <li>Provide support to member banks to promote understanding and initiatives related to human capital.</li> </ul>



# Status of Activities of the JBA in FY2023

In FY2023, the JBA promoted efforts based on eight key initiatives relevant to the 17 SDGs. This report summarizes individual efforts and presents the results achieved in FY2023.

## 1 Further Promotion of Member Banks' SDG/ESG Initiatives



As a common approach of the banking community in order to achieve the 17 SDGs, and for the purpose of monitoring and supporting the efforts of member banks, the JBA conducts surveys on SDGs/ESG and introduces reports on case examples of initiatives by the JBA and member banks.

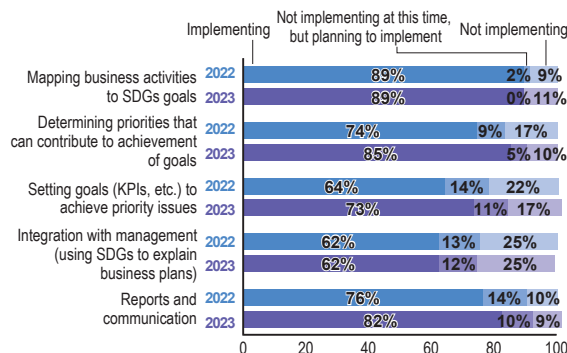
### (1) Surveys on SDGs and ESG

In order to understand the status of member banks' efforts and further promote their efforts, the JBA conducts surveys on the efforts of each individual member bank regarding SDGs/ESG and provides feedback on the aggregated results. In FY2023, 114 banks responded to the survey (as of the end of July 2023), indicating the steady progression in SDGs/ESG-related initiatives. The JBA will continue to conduct surveys and update questionnaire items as necessary, further supporting the efforts of its member banks.

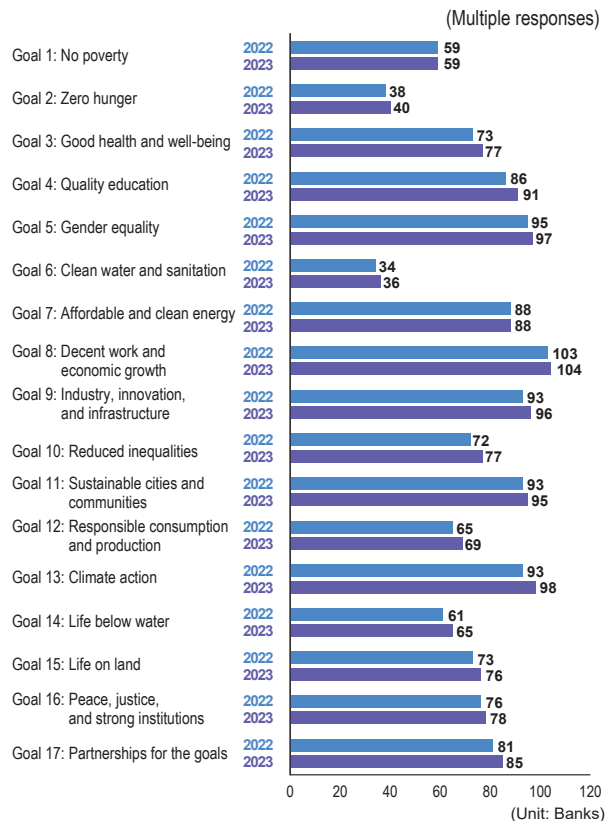
#### FY2023 Questionnaire Survey Results (Summary) \*As of the end of July 2023

- Out of the 114 banks that responded, 76 (67%) have established specialized departments or divisions to address initiatives related to SDGs/ESG (FY2022: 69 banks (61%)).
- Out of the 114 banks that responded, 111 (97%) have disclosed information on initiatives related to SDGs/ESG (FY2022: 109 banks (96%)).

#### Status of member banks' SDGs and ESG-related efforts



#### Goals that member banks are working on among the 17 SDGs



## (2) Issuance of the JBA SDGs Report

The “JBA SDGs Report” has been published since FY2018 in order to strengthen the external presentation of the banking community’s efforts surrounding SDGs/ESG, enhance member banks’ understanding of issues from the perspective of SDGs/ESG, and further support member banks’ voluntary efforts. Moreover, in order to widely publicize the efforts of the Japanese banking community among global audiences, the JBA publishes an English version of the JBA SDGs Report.

Along with the main activities of the JBA in FY2023, this FY2023 report also includes examples of member banks’ activities related to SDGs and expert commentary on the latest domestic and international SDGs trends.



## 2

## Fulfilling the Role Expected of the Banking Industry in Achieving a Sustainable Society, Starting with a “Just Transition” to Carbon Neutrality/Net Zero Emissions by 2050



The Paris Agreement, which came into effect in 2016, established a global goal to limit average global temperatures increase well below 2°C compared to pre-industrial levels, and to pursue efforts to limit the increase to 1.5°C. In Japan, to achieve the goals of the Paris Agreement, the Act on Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (GX Promotion Act) was enacted in May 2023 and came into effect in June 2023. It has been determined that, over the next decade, public and private sectors combined will execute GX investments and loans over 150 trillion yen.

In December 2022, the Kunming-Montreal Global Biodiversity Framework was adopted, establishing global goals for biodiversity conservation through 2030. In Japan, the National Biodiversity Strategy 2023-2030 was approved by the Cabinet in March 2023, as part of various efforts to realize a sustainable society both domestically and internationally.

Not only governments and local authorities but also companies, including banks as key economic and social actors, are essential players in developing these initiatives to realize a sustainable society. The role of financial institutions, particularly banks, is increasingly viewed as pivotal.

Information disclosure serves as a critical component in efforts and initiatives made by companies. Initiatives related to Task Force on Climate-Related Financial Disclosures (TCFD), established in 2015, achieved a milestone in June 2023 as the International Sustainability Standards Board (ISSB) of the IFRS Foundation released the IFRS Sustainability Standards. Aligned with this movement, it was announced that the TCFD would transfer its roles in 2023 and be fully integrated into the IFRS Foundation. Starting in 2024, the IFRS Foundation is set to assume responsibility for monitoring the progress of climate-related information disclosures by companies.

Additionally, in the area of biodiversity, Task Force on Nature-Related Financial Disclosures (TNFD) released the TNFD Recommendation v1.0 in September 2023, advocating corporate disclosures on nature and biodiversity activities (refer to page 15 for more about the TNFD).

In Japan, the amendment to the Cabinet Office Ordinance on Corporate Disclosure in January 2023 introduced a new section in annual securities reports on Corporate Approaches and Initiatives Regarding Sustainability, marking the start of sustainability disclosures by companies.

In this context, to support the achievement of SDGs such as "7. Affordable and Clean Energy," "12. Responsible Consumption and Production," "13. Climate Action," "14. Life Below Water," and "15. Life on Land," the JBA actively promotes and supports the initiatives of its member banks through the JBA Carbon Neutrality Initiative and participation in the Action Plan for Carbon Neutrality of *Keidanren* (Japan Business Federation), including setting specific goals.

## (1) Activities Based on JBA Initiatives

It is an urgent and important issue, even in the banking industry, to provide the firm support that is required for the realization of carbon neutrality/net zero for the entire socio-economic environment in order to achieve the 1.5°C target, while also supporting corporate cash management as financial and social infrastructure.

In December 2021, the JBA formulated the "JBA Carbon Neutrality Initiative," which sets forth basic policies and priority areas to be addressed in order to further strengthen efforts in the banking industry to achieve carbon neutrality from a medium- to long-term perspective.

Based on this Initiative, the JBA is implementing various measures and efforts that contribute to achieving carbon neutrality/net zero by 2050 in Japan. In March 2024, the JBA compiled and published the "JBA Carbon Neutrality Initiative 2024," to review its activities in FY2023 and make necessary revisions.

In FY2023, the JBA implemented initiatives to support effective engagement between client companies and member banks by publishing<sup>\*1</sup> and updating<sup>\*2</sup> reference materials for smooth dialogue (engagement) on decarbonization management and response to climate change. The JBA has also been working with industry and relevant government ministries and agencies to promote measures to address climate change issues. This includes holding 12 seminars for member banks, implementing lectures at local economic federations and chambers of commerce, establishing the climate change dedicated website<sup>\*3</sup>, and providing information through the information platform where JBA member banks can refer to key policies and documents by theme.

<sup>\*1</sup> The JBA releases "First Steps Toward Decarbonization" <https://www.zenginkyo.or.jp/news/2023/n013001/> (Japanese only)

<sup>\*2</sup> The JBA releases reference materials for decarbonized management, "CO2 Visualization and Beyond" <https://www.zenginkyo.or.jp/news/2024/n022901/> (Japanese only)

<sup>\*3</sup> The climate change dedicated website <https://www.zenginkyo.or.jp/climate-change/> (Japanese only)



## (2) Follow-up on Discussions and Advocacy Activities on Sustainable Finance Overseas

To achieve a sustainable society, including carbon neutrality, discussions are progressing at the global-level on topics such as transition finance and other sustainable finance initiatives, sustainability (non-financial) information disclosures which includes climate-related information, and the analysis and management of climate-related risks.

Currently, numerous efforts have been made to ensure the reliability and effectiveness of transition finance, primarily through the initiatives made by overseas authorities and private sectors, and there efforts also focus on the development and disclosure of transition plans.

When it comes to sustainability information disclosures, in June 2023, the ISSB established within the IFRS Foundation released the IFRS sustainability disclosure standards (S1: General Requirements for Disclosure of Sustainability-related Financial Information and S2: Climate-related Disclosures). Currently, discussions are underway on the development of new sustainability disclosure standards, following S1 and S2.

Various entities (including the Financial Stability Board (FSB), the Basel Committee on Banking Supervision (BCBS), and the Network for Greening the Financial System (NGFS)) are examining the analysis and management of climate-related risks. In particular, overseas authorities and central banks are experimenting with stress tests on climate-related risk management for financial institutions, and issues such as the lack of specific methodologies and necessary data for scenario analysis have been indicated. In response, the NGFS has published common scenarios to enhance scenario analysis, with the Phase IV released in November 2023.

In addition, the BCBS issued several key documents, including the "Principles for the Effective Management and Supervision of Climate-related Financial Risks" (in June 2022), "FAQ on Climate-related Financial Risks" (in December 2022), and the "Disclosure of Climate-related Financial Risks (Consultative Document)" (in November 2023). Through these documents, financial institutions are encouraged to incorporate climate-related risk factors into their risk management frameworks.

The JBA has proactively submitted its opinions and sharing its views on various international initiatives related to sustainable finance, including advocating overseas authorities, and organizing joint seminars on Green Transformation (GX) and related subjects with the Korea Federation of Banks.

## (3) Follow-up on Discussions and Advocacy Activities on Sustainable Finance in Japan

Various discussions and initiatives regarding sustainable finance are underway in Japan, based on the discussions that are being held globally.

In June 2023, the Financial Services Agency published the "Report by the Working Group on Financial Institutions' Efforts towards Decarbonization of the Economy," which serves as a guide for the efforts made by financial institutions towards achieving net zero.

In addition, the Sustainability Standards Board of Japan (SSBJ) within the Financial Accounting Standards Foundation is currently developing domestic standards based on the IFRS sustainability disclosure standards, with the aim of finalizing them in FY2024.

The JBA actively participates as a member or observer on the Financial Services Agency's "Expert Panel on Sustainable Finance" and other councils and study groups of ministries and agencies to communicate the banking sector's perspectives. While following up actions of the government, it proactively submits opinions as the JBA as necessary to actively advocate.

Currently, active discussions are underway to promote impact investments that aim to generate social and environmental effects (impact). In June 2023, the Financial Services Agency published the "Report by the Working Group on Impact Investment." In November 2023, a foundational meeting for the "Impact Consortium" was held to expand the impact investment market. This consortium serves as a place for a wide variety of stakeholders, including investors, financial institutions, companies, local authorities, and other similar parties, to facilitate discussions and foster connections with both domestic and international networks. The JBA Chairperson served as a founding member, and the JBA also participated in the Consortium.

## (4) Sustainability Information Disclosure Survey

In recent years, the banking industry has been increasingly required to make investment and lending decisions that contribute to responding to opportunities / risks related to climate change and solving environmental, social, and other sustainability-related problems. Against this background, since FY2018 the JBA has conducted an annual survey on domestic and international trends surrounding the TCFD's final report (TCFD recommendations) and domestic and international examples of investment and lending policies, compiled them into the "Survey on Efforts and Investment and Lending Policy Formulation in Response to TCFD recommendations" and provided the report to our member banks.

The initiative to disclose climate-related information for companies, based on the TCFD recommendations, has fulfilled its remit and IFRS sustainability disclosure standards was released. Aligned with this movement, the TCFD concluded its roles, while the IFRS Foundation will take over the responsibility for monitoring the progress of climate-related information disclosures by companies.

In the future, banks and corporations are expected to disclose their sustainability-related information in accordance with the IFRS sustainability disclosure standards developed based on the TCFD recommendations, as well as the corresponding regional sustainability disclosure standards derived from them.

In Japan, the Cabinet Office Ordinance on the Disclosure of Corporate Affairs was amended in January 2023. This amendment has added a new section to detail "Approach to and Initiatives for Sustainability," for annual securities reports from fiscal years ending on or after March 31, 2023. Under this update, sustainability-related disclosures of "Governance" and "Risk Management" from the four TCFD categories became mandatory, whereas disclosures on "Strategy" and "Metrics and Targets" must be included based on their materiality.

In light of the significant changes surrounding sustainability-related information disclosure, the JBA has renewed its survey reports for member banks, compiling both domestic and international trends and exemplary cases of sustainability disclosure. In addition, the JBA participated in discussions to standardize sustainability-related information disclosure, specifically considering the needs of SMEs.

## (5) Taskforce on Nature-related Financial Disclosures (TNFD)

The TNFD is an international initiative conceived at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 as a follow-on framework to TCFD. The TNFD aims to help shift the flow of global finance toward halting the loss of nature and biodiversity and putting them on a track to recovery. This is done by creating a framework that allows companies and financial institutions to properly assess and disclose risks and opportunities related to natural capital and biodiversity.

The JBA has submitted opinions to the TNFD's public consultations, which conducted four times from March 2022 for framework development. Following these consultations, the TNFD recommendations v1.0 were released in September 2023. The JBA has also held seminars for its member banks and has been involved in the TNFD Forum since December 2022, a stakeholder organization supporting TNFD's deliberations. It plans to continue monitoring the progress of TNFD discussions.

## (6) Determination of Targets Under the “Keidanren Carbon Neutrality Action Plan,” and Implementation of Follow-up Surveys

Since FY2001, the JBA has participated in setting goals for *Keidanren*'s “Carbon Neutrality Action Plan” for reducing carbon dioxide emissions and “Voluntary Action Plan for Establishing a Sound Material-Cycle Society” for recycling, and conducted follow-up research on full members in order to understand the status of their efforts at environmental problems.

\*Includes preceding voluntary action plans.

### JBA Goals for the Carbon Neutrality Action Plan and the Voluntary Action Plan for Establishing a Sound Material-Cycle Society:

Plan	Goal	FY2023 Survey Results (on FY2022 results) <small>*Survey period from April 2022 to March 2023, targeting 114 full member banks</small>
Carbon Neutrality Action Plan	Phase II goal	Reduce CO <sub>2</sub> emissions in FY2030 by 51% compared to FY2013 <ul style="list-style-type: none"> <li>● The CO<sub>2</sub> emissions of full member banks amount to 894,150 tons</li> <li>● Achieved a 45.3% reduction compared to the target's base year</li> </ul>
	FY2050 goal	Promote a just transition to carbon neutrality/net zero for society as a whole, with the entire banking community working together to achieve virtually zero CO <sub>2</sub> emissions <ul style="list-style-type: none"> <li>● Of the total, 59 banks (including those with a goal of net zero by 2030), or 52%, answered that they have set a goal to mitigate global warming for 2050.</li> </ul>
Voluntary Action Plan for Establishing a Sound Material-Cycle Society	Goals related to paper recycling rates, recycled paper purchase rates, etc.	<ul style="list-style-type: none"> <li>● Paper recycling rate of 90% or more by FY2025</li> </ul> <small>Note: Based on the continuation of <i>Keidanren</i>'s plan, the existing goal for FY2020 has been extended to FY2025.</small>
		<ul style="list-style-type: none"> <li>● Purchase rate of recycled paper and eco-friendly paper in FY2025 of 75% or more</li> </ul> <small>Note: Based on the continuation of <i>Keidanren</i>'s plan, the existing goal for FY2020 has been extended to FY2025.</small>
		<ul style="list-style-type: none"> <li>● 80% or more of member banks handling deposit products without the issuance of passbooks in FY2025</li> </ul> <small>Note: The goal was set in January 2021 based on the continuation of <i>Keidanren</i>'s plan.</small>
	Plastic-related goals	<ul style="list-style-type: none"> <li>● Of the total, 108 banks, or 94.7%, handle deposit products without the issuance of passbooks.</li> </ul>
		<ul style="list-style-type: none"> <li>● Of the total, 113 banks, 99.1%, said they are “separating” used PET bottles.</li> </ul>
		<ul style="list-style-type: none"> <li>● Of the total, 97 banks, 85.1%, said they are “implementing” measures to reduce marine plastic waste.</li> </ul>
	Practice efficient use of resources and to reduce waste throughout the banking community.	[Case examples] <ul style="list-style-type: none"> <li>● Conduct cleanup activities at beaches or other similar public places</li> <li>● Reduce the amount of plastic used by stopping the use of plastic products or other similar measures</li> <li>● Switch from plastic products to paper products or other similar items</li> </ul>
	Actively support, throughout the banking community, companies that engage in activities to reduce plastic wastes that are in line with the government policy.	<ul style="list-style-type: none"> <li>● Of the total, 23 banks, 20.2%, actively support companies that engage in activities to reduce plastic wastes that are in line with the government policy.</li> </ul>

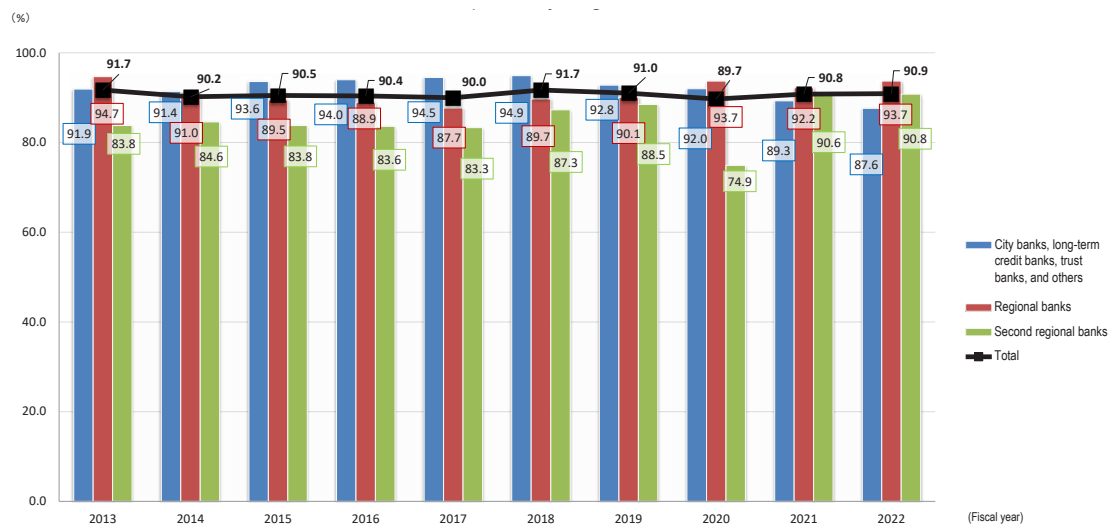
The results of the follow-up survey in FY2023 (actual results for FY2022) are shown in the table.

Of these results, the goals for 2030 and 2050 in the "Carbon Neutrality Action Plan" were revised in January 2023, based on the government's carbon neutrality declaration and the Cabinet's decision on the global warming countermeasures plan. The target goal of reducing CO<sub>2</sub> emissions for FY2030 has reached 45.3% against the target reduction rate of 51%, indicating steady progress in the relevant efforts.

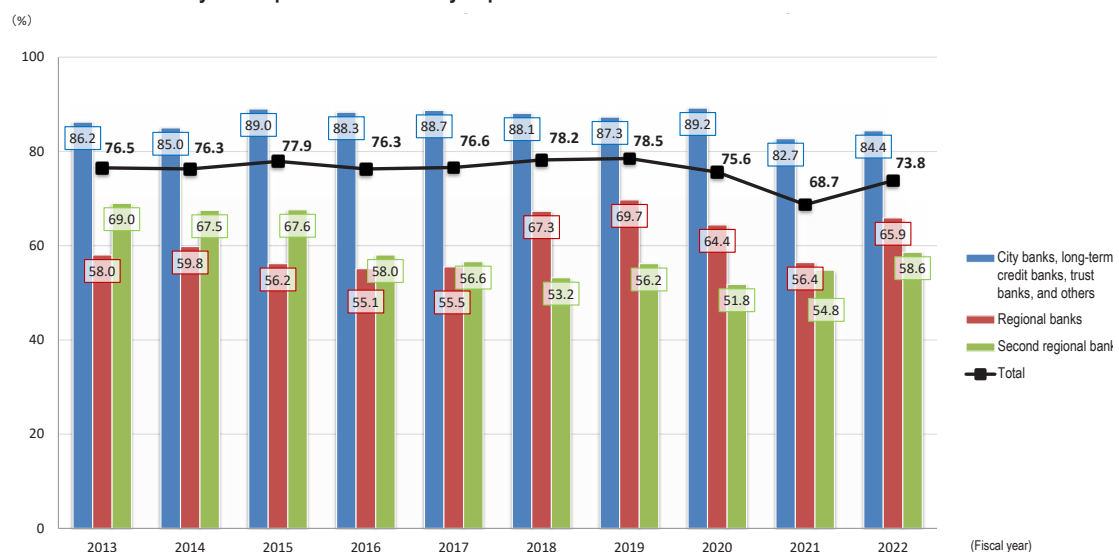
Due to the operational nature of the banking industry, efforts are primarily centered on reducing electricity consumption in each branch, though the specific measures depend on each individual bank. Member banks have reported effective initiatives, including not only physical measures as in the previous survey, such as the continued adoption of energy-efficient air conditioning and highly-efficient lighting fixtures (including LEDs), but also the proactive use of energy-saving electrical products and reduced operating times for air conditioning systems. Additionally, the survey found that many banks were using renewable energy sources, specifically solar and wind power. Regarding financing and non-financing products related to global environmental issues, more than 80% of banks responded that they continue to "consider" or "offer" such products.

The JBA will continue to conduct follow-up surveys to support member banks in advancing towards the above goals.

## Paper Recycling Rate

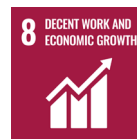


## Purchase Rate of Recycled Paper and Eco-Friendly Paper



## 3

## Implementing Activities for Regional Economic Revitalization and Regional Revitalization



Efforts at regional revitalization are considered to contribute to the achievement of Goal No. 8 of the SDGs "Decent Work and Economic Growth." The JBA has designated regional revitalization as one of its key initiatives with regard to the SDGs and will engage, in the medium- and long-term, in measures to promote member banks' proactive efforts at regional revitalization.

Since FY2018, as part of these endeavors, the JBA conducted an annual questionnaire survey on case examples of member banks' efforts at regional revitalization. The results were communicated to member banks and published on the JBA website.

Case examples of regional revitalization by member banks are also presented in this report so that member banks can further promote these efforts.

JBA website

"Regional revitalization initiatives" <https://www.zenginkyo.or.jp/abstract/efforts/contribution/sousei/> (Japanese only)

## Case examples by member banks\* (Results of the FY2023 questionnaire survey)

- Creating attractive communities where people can gather and live with peace of mind  
Sumitomo Mitsui Banking Corp. - "Osaka City Reverse Pitching & Matching"  
Saitama Resona Bank - "Hidaka City *Kinchakuda* (along the Koma River riverbank) Utilization Study Project"
- Building connections with the region and creating a new flow of people into the region  
Mitsubishi UFJ Bank - "Supporting Regional Revitalization Projects through the 'All-JAPAN Tourism Nation Fund'"  
Sumitomo Mitsui Banking Corp. - "Implementing Cashless Systems in Public Transportation between Kobe City/Kobe Airport, the City Center, and Arima Hot Springs"
- Creating a community where people can earn money and work with peace of mind  
Mizuho Bank - "Launching and Promoting 'Aizu Coin,' a Digital Local Currency Connected through City OS, in the Fukushima Aizu Region"  
Resona Bank - "Supporting Core Business Operations"  
Sumitomo Mitsui Trust Bank - "Establishing Joint Ventures with Regional National Universities"
- Empowering the new era  
Sumitomo Mitsui Trust Bank - "Pilot Project for Building a Renewable Energy Hydrogen Supply Chain (sponsored by the Ministry of Environment)"
- Other initiatives  
Mizuho Trust Bank - "Managing Estate Settlement Services Online (non-face-to-face)"

\*Case examples from regional banks and second regional banks are available on the following websites of the Regional Banks Association of Japan and The Second Association of Regional Banks.  
Regional Banks Association of Japan website

"Regional revitalization cases" [https://www.chiginkyo.or.jp/regional\\_banks/initiative/creation/](https://www.chiginkyo.or.jp/regional_banks/initiative/creation/) (Japanese only)

Second Association of Regional Banks website

"Regional revitalization" [https://www.dainichiginkyo.or.jp/membership/region\\_activate.html](https://www.dainichiginkyo.or.jp/membership/region_activate.html) (Japanese only)

Additionally, the JBA participates in the "SDGs Public and Private Sectors Partnership Platform for Regional Revitalization" established in August 2018 by the Cabinet Office, Office for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan, and provides information to member banks received through this platform.



## 4

## Improving the Financial Literacy of Japanese Nationals by Promoting Financial Literacy Education Activities



The JBA has been a longstanding proactive supporter of educational activities in the area of personal finance with the objective of promoting financial literacy, such as by furthering the appreciation of the roles and functions of banks and by improving the awareness and knowledge of financial transactions, how to manage household budgets, and how to plan one's life.

The meaning and purpose of this financial literacy education relate to "enabling each Japanese national to achieve financial independency and lead a better life; and contributing to the realization of a fair and sustainable society by encouraging financial institutions to offer financial products with good quality, and by the effective use of household financial assets, through the improvement of financial literacy" (Study Group advocated by Financial Services Agency on Financial Education Report, April 2013). Meeting these objectives will help attain Goal No. 4 of the SDGs "Quality Education," which targets to "ensure that all learners acquire the knowledge and skills needed to promote sustainable development."

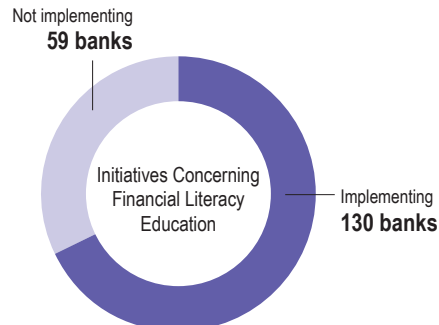
To this end, improving the financial literacy of the public by promoting financial and economic education activities has been included in the list of key initiatives related to SDGs, which will be promoted and enhanced over the medium- and long-term.

### (1) Member Bank Survey Concerning Initiatives for Financial Literacy Education

The JBA conducted a questionnaire survey directed at all members in order to understand the status of member banks' efforts at financial literacy education activities and to support member banks' efforts by communicating to them the aggregated survey results and case examples from the 189 respondents. The results of the questionnaire survey (statistics during FY2022) are shown in the table below.

#### FY2023 Questionnaire Survey Results (Summary) \*FY2022 results

- Of the 189 responding banks, 130 (69%) (among full members, 110 banks out of 114 respondents (96%)) provided financial literacy education. (In addition, of the 130 banks providing financial literacy education, 86 (66%) answered that such activities were affected by the COVID-19 pandemic, such as the suspension of activities, self-imposed quarantine, and changing the content of activities (switching to non-face-to-face communication, such as online).)
- The breakdown of educational activities implemented in FY2022 is shown below (number of implementing banks, total number of sessions, total number of participants), resulting in activities held for around 250,000 participants (excluding duplicates).



#### Implementation status of various activities related to financial literacy education in FY2022

	Lecturer dispatch	Guided tours of banking premises	Donation-funded lectures	Seminars	Events	Internships	Total
Number of implementing banks	100	90	46	72	68	78	—
Total number of activities	2,393	714	172	4,926	385	1,046	9,636
Total number of participants	110,349	9,729	8,176	82,799	14,834	25,020	250,907

- The following responses (excerpts) were received as examples of financial literacy education activities of the member banks.
  - Simultaneously hosted a financial webinar for parents of elementary school students and a workshop for the students themselves
  - Implemented a "pocket money workshop" and a "programming experience" online
  - University lecture followed by a field trip to a bank
  - Pilot of an event utilizing the metaverse
  - Developed financial literacy education web content aimed at imparting money-related knowledge
  - Hosted seminars for new employees at client companies

## (2) Public Relations Activities Related to Household Budget Management and Asset Formation

Associated with the growing importance of personal asset management to fund ever-longer life spans in light of Japan's demographic aging to very high age brackets, schemes such as the iDeCo (the individual-type defined contribution pension plan) and asset-formation type NISA (individual savings account) have been established to promote widespread steady asset formation by individual citizens. The JBA has identified efforts to encourage the transition from saving to asset formation as an important issue and has been emphasizing activities themed on the necessity of asset formation.

These activities are specifically targeted at the young working-age population. Additionally, considering the rapid development around digitization, a variety of media including websites and smartphones are being utilized, along with advertising strategies involving celebrities and influencers with broad public appeal.

In FY2023, anticipating the launch of the new NISA in January 2024, a central pillar of the government's "Doubling Asset-based Income Plan," and given the increasing interest in asset formation, the JBA started a collaboration with the TV animation series, "Attack on Titan," in October 2023 and introduced a special website that allows users to learn about the significance of asset formation while engaging with characters from the series. The website not only extensively promotes understanding of the new NISA system and the importance of asset formation but also provides insights into managing household budgets and minimizing risks, thereby enhancing users' financial literacy across a broad spectrum.



## (3) Lecturer Dispatch on a Nationwide Basis

Since 2003, the JBA has operated lecturer dispatch services where lecturers including staff of the JBA travel nationwide in response to requests for classroom lectures, consumer seminars, or instructor training sessions.

In FY2023, with the reclassification of COVID-19 to a Class 5 infectious disease in May, the JBA resumed courses including in-person group activities and returned to its standard pre-pandemic operations, actively engaging in lecture dispatch (conducting 237 sessions both in-person and online, which included the NISA Special On-Site Seminars described later).

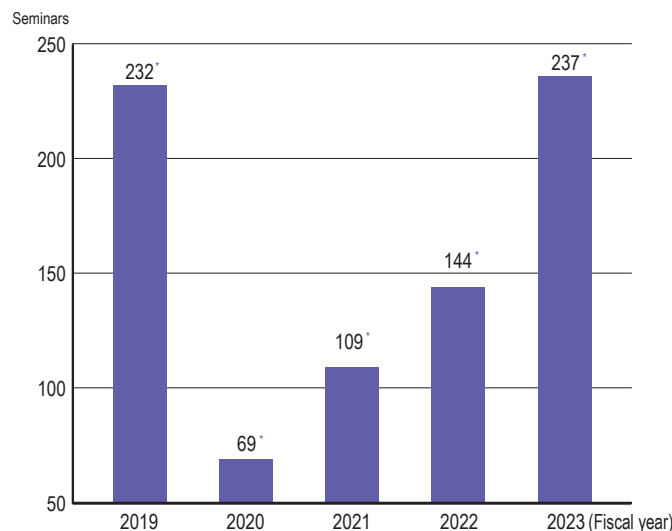
Furthermore, considering the launch of the new NISA system in January 2024, the JBA expanded the scope of our lecture dispatch seminars, previously aimed only at schools and local consumer affairs centers, excluding profit organizations. Starting in July 2023, the JBA began offering "NISA Special On-Site Seminars" tailored for individual corporate workplaces.

Seminar topics are determined in accordance with requests, including the following main topics.

**Type of Audience and Main Topics**

Target Audience	Main Topic
Junior high school and high school students	Banks' functions
	Mechanism of finance and its relation to society
High school and university students	How loans and credit work, and how to use money
	Financial considerations to be aware of when becoming a working adult
University students	Trends in the banking industry
General consumers	Points to consider when choosing financial products for beginners
	Schemes of financial crimes and countermeasures
Instructors and teaching staff	Implementation of financial literacy education
Workplace	How to start household budgeting and asset formation

**Transition in the Number of Lectures in the Last Five Years**



\*Some lectures were postponed between FY2019 and 2023 due to the COVID-19 pandemic.

## (4) Designated Schools for Financial Literacy Education Research and Educational Activities by High School Students to Prevent Special Types of Fraud

Designated schools for financial literacy education research are selected from junior high and high schools that actively engage in financial literacy education. This scheme began in FY2010 and supports these schools by providing educational tools such as teaching materials and dispatching lectures. In order to induce more active involvement of local boards of education, the JBA has since FY2012 worked together with local boards of education to select schools to designate for financial literacy education.

Lectures are open to nearby schools to facilitate the geographical spread of financial literacy education across regional units. Lecture examples are posted on the JBA website with the expectation to disseminate teaching materials for wider classroom usage.

In FY2023, Aichi Prefectural Inuyama High School was designated as a research school in collaboration with the Aichi Prefectural Board of Education. Lectures in civics and home economics were held with themes such as "Asset Formation and Economy," "Importance and Application of ESG Investing and Sustainable Finance," "Managing Household Finances," and "Planning Your Life's Financial Plan - A Letter from the Future."

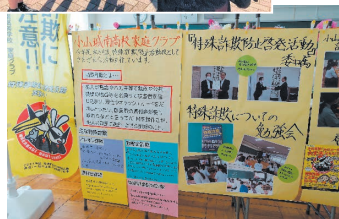


At a class of a designated school

### Schools Designated for Financial Literacy Education Research - Implementation Data

Fiscal year	Board of Education	Designated schools
2019	Ibaraki Prefecture Saitama City Hiroshima City	Ibaraki Prefectural Ryugasaki Daiichi High School Saitama City Urawa Junior and High Schools Hiroshima City Kabe Junior High School
2020	Gumma Prefecture Osaka City	Gumma Prefectural Isesaki High School, Ota Girls' High School Osaka Prefectural Higashi Senior High School (previously Osaka City Higashi Senior High School)
2021	Yamanashi Prefecture	Yamanashi Prefectural Kofu Higashi High School
2022	Tochigi Prefecture	Tochigi Prefectural Tochigi Shonan High School
2023	Aichi Prefecture	Aichi Prefectural Inuyama High School

Distributing goods and conducting educational activities



"Educational Activities by High School Students to Prevent Special Types of Fraud" is an effort to support students' social contribution activities, based on the expectation that such activities will become self-sustaining at the regional level through high school students. It is also expected that students will become aware that special types of fraud are a societal issue in their everyday environment, better understand preventive measures, and implement activities to prevent special types of fraud planned by students themselves. This initiative was launched in FY2016, and it makes practical use of frameworks such as schools' home economics clubs, which are included in the high school home economics curriculum guidelines. The JBA provides actual support such as advice and information materials for activities, in addition to support for funding.

In FY2023, Tochigi Prefectural Oyama Jonan High School was entrusted with initiatives in collaboration with the local police station. These initiatives included distributing awareness-raising items to the community and leaflets featuring original characters for public campaigns. The school also engaged in various local awareness activities, such as fireworks and Bon dance events, and other events organized by the local Chamber of Commerce. These initiatives gained media attention in local newspapers and on TV and received commendations from the prefectural police headquarters and local police stations.

### School Activities to Raise Awareness for the Prevention of Special Types of Fraud

Fiscal year	Board of Education	Designated schools
2019	Ibaraki Prefecture	Ibaraki Prefectural Tsuchiura Kohoku High School
2020	Gumma Prefecture	Gunma Prefectural Tatebayashi Girls High School
2021	Yamanashi Prefecture	Yamanashi Prefectural Yamanashi High School
2022	Toyama Prefecture	Toyama Prefectural Shikino High School
2023	Tochigi Prefecture	Tochigi Prefectural Oyama Jonan High School

## (5) Educational Materials

As part of its PR activities, the JBA has been creating brochures and videos as introductions to banking operations for distribution to users such as consumer centers, schools, and individuals. Societal requirements for improved financial literacy education are growing, such as issues raised by the publication of the "Financial Literacy Map,"\* concerns over the lowered age of majority, the implementation of new educational curriculum guidelines, and the necessity for asset formation and management aligned with 100-year life expectancy, etc. The JBA organizes contents suitable for each target audience (junior high school students, high school students, university students, working age population, the elderly, etc.) for educational and information activities and creates teaching materials such as booklets and videos according to their needs.

\*Financial Literacy Map

The Financial Literacy Map presents by age bracket the specific minimum requirements of financial literacy described in the "Study Group on Financial Education Report" (released by the Financial Services Agency in April 2013). The Financial Literacy Map was compiled by the Committee for the Promotion of Financial Education and released in June 2014 (partly revised in June 2015 and June 2023).

In FY2023, the JBA distributed the following teaching materials (main target audiences are shown in parentheses).

### Main teaching materials distributed in FY2023

- Talking about Money for the First Time (Junior high school students)
- From the Perspective of Your Favorite Artist - Banks and You (Junior high school students and older)
- Life Plan and Money Plan Game (Junior high school students and older)
- Teaching Materials Series - Money Basics (High school students and older)
- Introduction to Sustainable Finance: Using Financial Power to Save the Earth! (High school students and older)
- Introduction to Financial Knowledge Series (University students and older)
- Learning with Animals - About Bills and Checks (Working age population)
- Financial Products and Services Provided by Banks (Working age population)
- Financial Crime Safety Check List (Working age population and the elderly)
- Financial Preparedness for a 100-Year Lifespan (The elderly)
- For Your Peace of Mind - Information on Financial Products (The elderly)



In addition, in response to the "Shift from Savings to Investment" and the adoption of the "Doubling Asset-based Income Plan," the interactive investment learning app, "Maneran," released in March 2023 to promote practical knowledge of household management and asset formation, received an update in 2023. With the new NISA system (January 2024) in view, a feature was added to simulate investments in mutual funds, enhancing the app's experimental learning capabilities.



## (6) Memorandum of Understanding with the Japan Securities Dealers Association

In December 2021, the JBA and the Japan Securities Dealers Association (JSDA) concluded a Memorandum of Understanding (MOU) to collaborate and cooperate in the promotion of financial literacy education and initiatives on child/youth poverty issues. Based on the MOU, the following efforts were continuously made in FY2023, including the shared use of instructors in financial literacy education, and collaboration and cooperation in events and seminars.

### Major Initiatives for Collaboration and Cooperation:

Shared use of instructors and personnel in financial literacy education	<ul style="list-style-type: none"> <li>In FY2022, following the JSDA's system, a new "Financial Instructor System" was implemented. Instructors registered with both associations were collaboratively dispatched to seminars under this system.</li> </ul>
Collaboration and cooperation in measures to address child and youth poverty	<ul style="list-style-type: none"> <li>In January 2024, held hybrid seminars on the issue of child and youth poverty in Sapporo for members of both associations, with the main purpose of further boosting the momentum of initiatives by the banking and securities communities. (See (7) below.)</li> </ul>
Collaboration and cooperation in events and seminars	<ul style="list-style-type: none"> <li>Leveraged joint content (outlines for lectures), created in collaboration and cooperation with the JSDA, on household budget management and asset formation.</li> <li>From June to September 2023, the Tokyo Chamber of Commerce and Industry (TCCI) streamed on-demand videos, themed "Household Budget Management and Asset Formation" (co-sponsored by the JBA and the JSDA, also available to non-members of the TCCI).</li> <li>In August of the same year, a joint online "Household Budget Management and Asset Formation Seminar" for teachers was held with the JSDA.</li> <li>In August of the same year, the JBA and the JSDA jointly hosted an "Asset Formation Seminar in the Workplace."</li> <li>From November to December of the same year, the Economic Public Relations Center streamed an on-demand video for its members, themed "Managing Household Finances and Asset Formation in the Era of a 100-Year Life," as part of an online seminar.</li> </ul>

Holding a seminar



## (7) Initiatives Regarding the Issue of Child and Youth Poverty

As part of the collaborative project (see (6) above), in January 2024 the JBA and the JSDA jointly held a hybrid seminar in Sapporo on the issue of child and youth poverty for members of both associations, with the main purpose of further boosting the momentum of initiatives by the banking and securities communities to address the issue of child and youth poverty.

The seminar included lectures by the Children and Families Agency and the Hokkaido Government on measures for addressing the current national and regional conditions of child and youth poverty, as well as lectures by an NPO on its activities to address the current conditions of children and young people faced with difficulties. In addition, a JBA member bank introduced its initiatives.

### Seminar Speakers

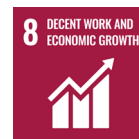
Ministries and local governments	Children and Families Agency and Hokkaido Government
NPOs	NPO Food Bank /koro Sapporo
Financial institutions	North Pacific Bank

Additionally, in November 2023, the JBA sponsored the "Children's Future Co-creation Forum" organized by the National Federation of UNESCO Associations in Japan.



## 5

## Promoting Wider Access to Finance and Financial Services for the Elderly and Other Users



In light of the fact that more people live to a very high age, promoting wider access to finance and financial services for the elderly and other users is seen to contribute to the attainment of Goal No. 8 of the SDGs “Decent Work and Economic Growth,” which targets the expansion of financial services, etc.

The JBA identified “Wider access to finance and financial services for the elderly and other users” as one of its key initiatives in relation to the SDGs. The JBA will continue to promote and expand these activities as the importance of this goal will keep growing in the future.

### (1) Establishing a System at Member Banks

In order to assist member banks in conducting financial transactions with elderly customers (especially those with impaired cognitive judgement) and their representatives, and in cooperating with social welfare organizations, in FY2020 the JBA compiled “Views on Financial Transaction Representation” and “Strengthening Cooperation Between Banks and Local Governments and Social Welfare Organizations.”

Many banks have started to offer products and services designed for individuals with diminished cognitive abilities or to prepare for future cognitive decline. To assess the overall readiness and activities of these member banks, a follow-up survey was conducted in FY2023. Specifically, the survey examined the scope of allowed proxy transactions, collaboration with local public bodies and social welfare agencies, as well as unique initiatives implemented by the member banks. These findings are used to enhance the collective efforts across the banking industry.

### (2) Implementation of Training Sessions for Support Staff for Customers Suffering Dementia

With the aim of increasing the number of dementia supporters in the banking community, the JBA has been sponsoring dementia supporter training sessions for member banks, etc. each year since FY2007 with the cooperation of the National Caravan-Mate Coordinating Committee. “Dementia supporters” refers to persons with a correct understanding of dementia and with empathy for dementia sufferers and their families.

At the “6th Liaison Conference of Ministries Engaged in Community Development to Accommodate the Needs of Dementia Sufferers and High-Age Seniors” held in July 2017 under the overall strategy for the promotion of relief measures for dementia sufferers (so-called “New Orange Plan”), the target for the number of dementia supporters was revised from 8 million at the end of FY2017 up to 12 million by the end of FY2020. In June 2019, this New Orange Plan was expanded further to include the “Charter to Promote Relief Measures for Dementia Sufferers,” which aims to promote measures against dementia from two perspectives: coexistence and prevention.

Based on this background, the JBA held a dementia supporter training session on December 22, 2023. On the day of the event, participants learned about the symptoms of dementia and deepened their understanding of dementia through concrete examples of how to assist people suffering from dementia at ATMs and banks.



Training session

### (3) Production and Distribution of Financial Literacy Teaching Materials for Seniors

The JBA has been implementing financial literacy measures for the elderly, with the aim of preventing damage from financial crime and grievances arising in connection with financial product sales, and in order to inform the elderly about appropriate asset management and investment.

Continuing from FY2022, the JBA distributed educational materials on the topics of a 100-year lifespan targeting the elderly, as well as on the topics of financial crime prevention and an explanation of the types, characteristics and risks of financial products and services.

- Financial Preparedness for a 100-Year Lifespan
- Introduction to Financial Knowledge Series (An Introduction to Inheritance - A Guidebook)
- Financial Crime Safety Check List
- For Your Peace of Mind - Information on Financial Products



## (4) Questionnaire Surveys on Efforts to Accommodate Persons with Disabilities

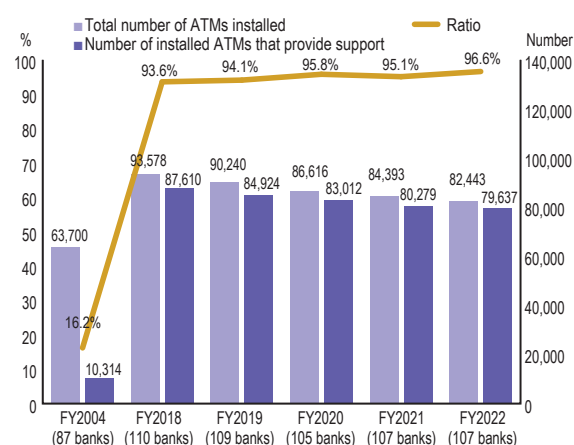
In order to understand the status of member banks' universal services, the JBA has been conducting questionnaire surveys on full members every year since FY2004 regarding their efforts to accommodate persons with disabilities.

In FY2023, the JBA conducted a questionnaire survey on full members (114 banks) about the status of their efforts as of the end of March 2023.

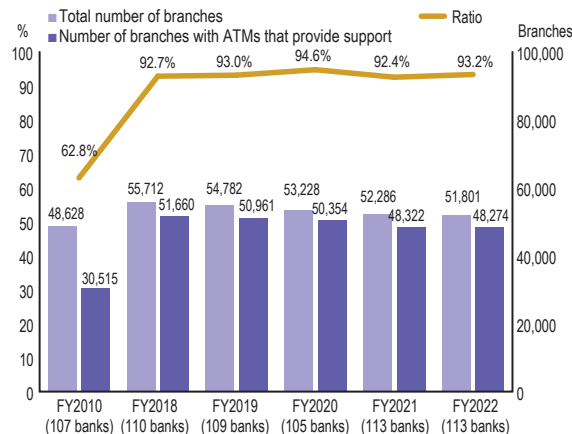
Since the survey started in FY2004, member banks' efforts have steadily progressed. For example, the number of installed ATMs equipped for customers with visual impairment has reached 96.6% of the total, reflecting an increase of 80.4 points compared with FY2004. In addition, the number of banking premises with ATMs equipped for customers with visual impairment has risen to 93.2% of the total, marking a gain of 30.4 points from FY2010, the year when this item was first added to the survey.

The JBA will continue to conduct questionnaire surveys, and update the content as necessary, to support further efforts of member banks.

**Number of ATMs Equipped for Customers with Visual Impairment (Totals by Fiscal Year)**



**Number of Banking Premises with ATM Equipped for Customers with Visual Impairment (Including Unmanned Premises)**



\* Surveys of relevant item started in FY2010.

## (5) Follow-Up Discussions Regarding Barrier-Free Initiatives by Relevant Ministries and Agencies

The JBA participates in exchanges of opinion at meetings with organizations for persons with disabilities that are sponsored by the relevant authorities. The JBA implements initiatives such as providing special services for persons with disabilities, and shares opinions and requests received from related organizations with member banks.

In FY2023, the JBA (1) participated in the "Forum between Organizations for Disabled Persons and Financial Institutions" held by the FSA, (2) participated in the "Follow-up Meeting on Building Design Standards to Facilitate the Mobility of the Elderly and Persons with Disabilities" held by the Ministry of Land, Infrastructure, Transport and Tourism, and (3) submitted a written opinion on the "Basic Policy on the Promotion of Eliminating Discrimination against Persons with Disabilities (Revised Draft)" from the Cabinet Office. In addition, the JBA cultivated awareness by sharing requests from organizations for persons with disabilities with member banks.

## 6

## Promoting Digitization and Providing Safe, Secure, and Highly Convenient Financial Services



Banks provide financial settlement services such as remittances, bills, and checks in order to settle claims and obligations between companies, individuals, and government agencies, etc. The infrastructure underpinning these financial settlement services consists of inter-bank settlement systems. As for the representative settlement systems in Japan, in addition to the final settlement conducted at the platform of the current account of the Bank of Japan ("BOJ-NET"), the JBA plays an important role by managing the Foreign Exchange Yen Clearing System (FXYCS) for yen settlements and the system of clearing houses for the settlement of bills and checks (electronic exchanges). In addition, the Japanese Banks' Payment Clearing Network ("Zengin-Net") plays a key role by managing the Domestic Funds Transfer System (Zengin System) for transfers and remittances. These systems form the foundation for efficient fund settlement services provided by banks, as public infrastructure for economic activities.

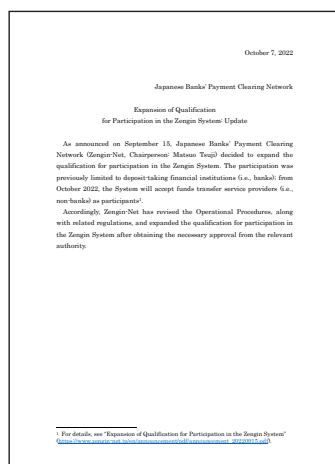
Pursuing the convenience of financial services for all users and promoting the advancement of settlement systems and cashless payment systems will contribute to the attainment of Goal No. 9 of the SDGs, which concerns "Industry, Innovation and Infrastructure." Given the importance of this objective, the JBA will continue to strengthen its efforts in this regard.

### (1) Implementation of Activities to Advance the Zengin System and to Enhance Convenience of Financial Settlements

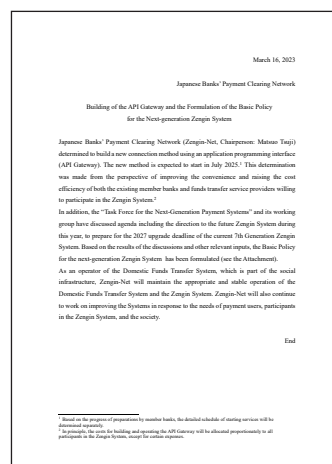
The Zengin System operated by the Zengin-Net is an online system for transmitting messages of inter-bank domestic fund transfer among member financial institutions (1,122 member financial institutions as of the end of March 2024). It also calculates settlement amounts of members that arise from such transactions daily. In this way, the system fulfills a critically important role as one of the core settlement systems in Japan.

The strengths of the Zengin System include advanced safety<sup>1</sup> and reliability, the convenience of a nation-wide network that covers almost all financial institutions located in Japan, and its pioneering nature, having been the first in the world to offer real-time deposits from the outset of its operation. In recent years, in view of the increasing number of cashless payments due to the progress of digitization, there has been ever-increasing expectation regarding interoperability of payment services and the realization of highly convenient remittance services.

The Zengin-Net held discussions with banks, authorities, academics, payment-related business operators, system-related businesses, and other stakeholders in the "Task Force for the Next-Generation Payment Systems" and the subordinate "Working Group for the Next-Generation Payment Systems," to expand eligibility for the Zengin System, which was previously limited to banks and other deposit-taking financial institutions, to include funds transfer service providers (non-banks) beginning in October 2022.



Released on October 7, 2022  
"Expansion of Qualification for Participation in the Zengin System"



Released on March 16, 2023  
"Building of the API Gateway and the Formulation of the Basic Policy for the Next-Generation Zengin System"

In March 2023, the Zengin-Net formulated a basic policy for a next-generation Zengin System, which is scheduled for renewal in 2027, in order to build a payment system suitable for supporting sustainable economic growth in the next generation. In May of the same year, based on this policy, the Zengin-Net solicited proposals from domestic vendors. By September, it had selected NTT Data as the development contractor and are now progressing with the evaluation of specific requirements.

In addition, as part of these upgrades to the Zengin System, the Zengin-Net has decided to use APIs to establish a new connection method (API Gateway) by July 2025, as development progresses.

The Zengin-Net, in consideration of customers' and society's needs for domestic fund transfers, will continue to work to further advance the features of the Zengin System and to enhance the convenience of payments and settlements, in collaboration with the JBA.

\*Between October 10 and 11, 2023, an outage occurred in the relay computer (RC23 series) that connects the Zengin System with its member banks. This resulted in the complete suspension of telegraphic transfer transactions at some member banks. Given the fact that this outage was the largest failure since the System's inception in 1973, the Zengin-Net compiled necessary measures for improvement and recurrence prevention, submitting a report to the Financial Services Agency on November 30, 2023. With its member banks, the Zengin-Net will continue to work on regaining trust in the System as one of the most important infrastructures in Japan.

## (2) Expanding the Use of ZEDI

Typically, business-to-business payments are consolidated and made monthly, which can obscure which transactions the payments relate to, complicating the accounts receivable verification process (reconciliation) for recipient companies. The "Zengin EDI System" (ZEDI)<sup>\*1</sup> launched in December 2018 enables the inclusion of detailed payment information with transfer data. Specifically, by attaching invoice numbers and payment notification dates to bulk transfer data, companies can now easily discern which transactions payments correspond to and understand the breakdown of transfer amounts. This not only streamlines the verification of accounts receivable (reconciliation) for the recipient companies but also reduces the burden of responding to inquiries for the paying companies.

Furthermore, with the introduction of the invoice system in October 2023, to further promote the adoption of digital invoices and accelerate the digitization of billing processes between companies, the Zengin-Net is implementing an initiative ("Digital Invoice-Payment Integration Service Development Grant Project")<sup>\*2</sup>. This project aims to enhance the integration with ZEDI in business-to-business payments.

As part of its activities in FY2023, the JBA announced the development of the "DI-ZEDI" financial EDI standards in April, which align with the digital invoice standard specifications, on its Advanced Payment Portal<sup>\*3</sup>. In addition, establishing a "Month for Strengthening Digital Settlement and Accounting Operations" in November 2023, the JBA promoted the use of ZEDI-compatible accounting software developed by the Zengin-Net through a campaign utilizing web leaflets targeted at businesses via social media, web and magazine advertisements (November to December).

The JBA also participated in various meetings to promote the utilization of ZEDI, offering follow-up on discussions with related ministries, agencies, and industrial groups. Specifically, the JBA participated in the "Billing and Payment Data Integration Promotion Working Group," established under the "Task Force for the Next-Generation Payment Systems" within the Zengin-Net. Additionally, the JBA attended a "Developer Networking Meeting" aimed at vendors who are provided with the ZEDI connection specifications. The JBA also participated as an observer in the "Future Vision Study Group for Inter-Company Transactions" (restructured in November 2022 from the Contract and Payment Architecture Study Group) established at the Information-Technology Promotion Agency's (IPA) Digital Architecture Design Center (DADC), including participation in the "Payment Technical Meeting." In the "Payment Technical Meeting," the Zengin-Net participated as a committee member, contributing to the development of the financial sector implementation data model within the Government Interoperability Framework (GIF).

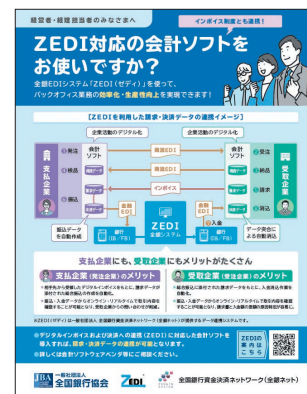
The JBA continues its efforts to expand the use of ZEDI.

\*1 Background to the start of ZEDI services

In December 2015, the Financial System Council of the FSA recommended "that the current fixed-length message method (used for domestic remittance orders) should be abolished by 2020 and transitioned to the XML message method, which is superior in terms of information volume and information compatibility" in its "Report by the Working Group on Payments and Transaction Banking." Based on this recommendation, the "Review Committee on XML Messaging Transition" comprised of members from finance, industry, IT vendors, and the FSA was set up and started discussions on detailed specifications in February 2016. As a result, the JBA and the Zengin-Net decided in December 2016 to build the "Zengin EDI System (ZEDI)" as a new payment infrastructure to be provided by the banking community.

\*2 <https://www.zengin-net.jp/zedi/zyosei/> (Japanese only)

\*3 <https://www.zenginkyo.or.jp/kessai/?anc> (Japanese only)



Magazine Advertisement on Enhancing Business Efficiency with ZEDI



## (3) Promotion of the Full Digitization of Bills and Checks

The digitization of bill and check functions was studied from December 2017 to December 2018 by the "Study Group on the Promotion of the Digitization of Bills and Checks" (for which the JBA serves as the secretariat), based on the government's "Growth Strategy 2017." The Study Group published a report proposing to set up a medium-term target\* for the transition to the digitization of about 60% of the total number of bills cleared at clearing houses designated by the Japanese government (the aggregate total of bills, checks and other securities) within five years, from 2019 to 2023, so as to further advance toward full digitization of domestic transaction of bills and checks. In addition, in order to improve the efficiency of interbank exchange operations related to bills and checks, which will decrease in the future based on the above efforts, it was decided in June 2019 to establish the electronic clearing house as a transitional measure until the start of full digitization. Exchange settlements started in November 2022.

\*In view of the revision of the voluntary action plan in November 2023, this goal has been designated as a reference value.

The Japanese government's "Action Plan of the Growth Strategy" of June 2021 specified that the government would promote efforts to abolish the use of promissory notes within five years (2026) and fully digitize checks. As a result, the JBA, serving as the secretariat for the Study Group on the Promotion of the full Digitization of Bills and Checks established in April 2021, conducted a comprehensive study within this Study Group, and thereafter formulated the "Voluntary Action Plan for the Full Digitization of Bills and Checks" in July 2021. The ultimate goal of this action plan is to reduce the number of bills and checks exchanged at the clearing houses designated by the Japanese government to zero by the end of FY2026. The financial community is working closely with industry and related ministries and agencies to achieve this goal. Furthermore, in July 2022, based on a request from the government, this action plan was revised and the descriptions regarding the electronic clearing house were made more specific. Additionally, in November 2023, based on the capability to monitor the number of internal bills and checks at the electronic clearing house, the voluntary action plan was revised to include all bills and checks, even those exchanged internally, in the reduction targets.

Also, as part of the initiatives for FY2023, the government's "New Capitalism Grand Design and Implementation Plan, Revised Edition 2023" explicitly stated in June 2023 the need to "follow up on phasing out the use of promissory notes and checks." In response, the JBA aimed to enhance awareness-raising efforts across the government, industrial, and financial sectors, undertaking the following measures.

- Taking into account the survey results on the use of bills and checks within the industrial sector, presentations on full digitization initiatives were given at various Chamber of Commerce and industry association meetings (from September to February)
- Created advertising and promotional content for inclusion in bill and check books (November)
- Updated awareness leaflets initially created in FY2022 (November)
- Established a "Month for Strengthening Digital Settlement and Accounting Operations" (November) and publicized it through social media, web and magazine advertisements (November to December)
- Held "Seminars Regarding the Full Digitization of Bills and Checks," a series of online seminars for companies co-sponsored by densai.net, an affiliate of the JBA, with support provided by the Financial Services Agency, Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency, the Japan Chamber of Commerce and Industry, and *Keidanren* (18 times from November to January)

In addition, densai.net, together with participating financial institutions, works to promote the transition from bills and checks to electronically recorded monetary claims ("densai") and engages in public relations activities for corporations. Specifically, in addition to 12 online sessions of "Densai Step-Up Seminar" between May and July 2023, November 2023 was designated as the "Month for Promotion of densai" in conjunction with the JBA's "Month for Strengthening Digital Settlement and Accounting Operations." Through the participating financial institutions, densai.net distributed "Full Digitization" leaflets to companies that use bills and checks, while also conducting activities such as holding web briefings for companies.

Furthermore, in preparation for the 2024 release of the new service "densai light," which allows the use of densai via smartphones and tablets without requiring an internet banking (IB) contract, densai.net advanced system development and other preparations. Additionally, in January 2023, it enhanced the functionality of the densai service to ensure its product competitiveness with promissory notes and other similar instruments (by shortening the limitation period for a request for accrual record by obligor and lowering the minimum required amount of claims).

\*The special page was opened on the densai.net website for details about the "densai light" service.  
<https://www.densai.net/densai-light/> (Japanese only)



"Full Digitization of Bills and Checks" Leaflet

## (4) Efficiency Improvements in the Collection of Taxes and Public Dues

Currently, national or local taxes are commonly being paid in cash with printed forms taken to a bank counter. However, this over-the-counter payment method requires the payer to visit a bank, and there is a deadline on when payment can be accepted. It is also costly and inefficient for administrative agencies and financial institutions to process payment forms and cash. The streamlining of the collection and payment of taxes and public dues refers to initiatives to eliminate the time and labor weighing on everyone involved, by way of improvements in the efficiency of this string of procedures. The following section provides an overview of the past efforts and initiatives taken by the JBA.

FY2017-FY2020:

- The "Study Group on Efficiency Improvements in the Collection and Payment of Taxes and Public Dues" ("Study Group"), for which the JBA serves as the secretariat, along with its operational-level working groups, conducted discussions and exchanges of views between the public and private sectors. Each year, the Study Group compiled and published a survey report.

FY2021-FY2022:

- National policy has been determined to allow the payment of local taxes such as automobile tax and property tax (which do not require declaration and have a predetermined tax amount) using QR codes through smartphones and other devices. The JBA, collaborating with the Ministry of Internal Affairs and Communications, has established a unified standard for QR codes.

FY2023:

- In April 2023, QR code payments for the above-mentioned local taxes were launched.
- Initiatives have been made for enabling QR code payments not only for local taxes but also for local public funds such as national health insurance premiums, and these are expected to be adopted as a national policy (scheduled to start no later than September 2026).
- The government-private sector study group at the Ministry of Internal Affairs and Communications held discussions on achieving paperless payments by sending payment notices electronically (no paper payment notices sent).

With the outbreak of the COVID-19 pandemic prompting a departure from face-to-face interactions, the importance of transitioning from traditional paper and cash-based payment methods to electronic ones has become even more pronounced. The JBA will continue its efforts to improve the efficiency and digitization of the collection of taxes and public dues.

## 7

## Implementing Measures to Prevent Financial Crimes and Money Laundering, and Actions to Meet FATF Recommendations



In order to enable all users of banks to conduct their banking business in confidence, the JBA has been proactively engaged in efforts to curb criminal activities, such as financial crime prevention information activities concerning special types of fraud including phone scams involving calls from individuals posing as relatives in distress and measures against money laundering as the principal source of funds of organized crime.

These activities are thought to contribute to the promotion of a peaceful and inclusive society, which comes under Goal No. 16 of the SDGs: "Peace, Justice and Strong Institutions." In view of its importance, the JBA has identified this goal as one of its key initiatives in relation to the SDGs and promotes relevant activities over the medium- and long-terms.

### (1) Promoting Initiatives in Preventing Internet Banking Fraudulent Transfers

The JBA is aware that the risk of fraudulent deposit withdrawals through Internet banking poses a serious threat to bank deposit security and may undermine customers' trust in the banking industry. Aiming to promote discussion and implementation of Internet banking security measures for fraudulent money transfers at member banks, the JBA conducts questionnaire surveys for full members, associate members, and special members, and holds seminars inviting external instructors.

Given its importance, the JBA intends to continue this survey and seminars in the future.

### (2) Financial Crime Prevention Activities Concerning Special Types of Fraud

The JBA has been actively involved in the activities to promote the eradication of special types of fraud since FY2008. However, losses from special types of fraud continue to stay at a high level according to the statistics issued by police authorities. In light of this situation, there are expectations for the JBA to engage in further information activities to raise awareness and to prevent loss before it happens.

In FY2023, the JBA continued leveraging the video featuring JBA's established "Banken-kun" character as the key visual, distributing it through platforms such as YouTube and TVer, with the focus on raising awareness about prevalent phishing scams.

Additionally, in March 2024, in collaboration with talents at Asahi Shimbun's "Asahi Shimbun Re Life Festival 2024 Spring," the JBA conducted sponsored seminars and booth exhibitions aimed at preventing scams such as impersonation fraud, refund scams, and cash card crimes.

The event attracted approximately 3,200 attendees, with the sponsored seminars covering topics themed "Know How to Protect Your Deposits from Financial Crimes."



Video



Banner Advertisement

### (3) Measures to Accommodate the FATF Follow-up of Mutual Evaluations of Japan

Measures to prevent money laundering and terrorist financing ("Anti-Money Laundering/Countering the Financing of Terrorism" or, for short, "AML/CFT") are urgent issues of growing importance which the international community must address in the face of threats predominantly from terrorism.

The Financial Action Task Force (FATF)\* is the originator of the FATF recommendations, established as international standards against money laundering and terrorist financing, whose implementation status is subject to mutual examinations by the FATF participant countries. Japan underwent the 4th round of mutual evaluations in October and November 2019. The examination results were announced in August 2021, and Japan was evaluated as a "Country Requiring Enhanced Follow-Up." A follow-up survey will be conducted by FATF on matters that require improvement as indicated in the examination results, and Japan is required to further enhance its AML/CFT system. (The Report on the First Follow-up Survey for Japan was published by the FATF on September 13, 2022.)

In order to promote cooperation between the public and private sectors, the JBA held the "Public and Private Sectors Liaison Meeting on Advanced Measures against Money Laundering" in April 2018, and exchanged information with relevant authorities on AML/CFT. In addition, in order to further support and promote the efforts of member banks throughout the banking industry, the JBA provides member banks with translations of important overseas documents on money laundering.

Furthermore, the JBA deploys activities to raise awareness among bank users about the risks of money laundering and the importance of anti-money laundering measures, while also calling for cooperation in customer management at banks.

The FY2023 saw the JBA's public relations activities using various media such as web advertisements, Internet program broadcasts, tie-up articles in magazines, and distribution of posters and leaflets at banks.

In January 2023, a new company, Cooperation agency for Anti-Money Laundering (CAML), was established with the aim to enhance and collaborate in AML/CFT operations at financial institutions. Preparations are underway to provide practical services from FY2024 onward.

\*FATF: Financial Action Task Force

A multilateral framework for promoting the international coordination of money laundering countermeasures established based on the 1989 Grande Arche G7 Summit Economic Declaration. Measures against terrorism financing were added in the wake of the 2001 terrorist attacks on the United States. Members include 38 nations, including G7, and two regional organizations (as of November 2023).



Website Advertisement



Poster

## 8

## Expanding Initiatives in Light of Trends Regarding Human Rights and Diversity



With a view to member banks' human rights education activities, the JBA has long been engaged in sponsoring seminars and formulating human rights maxims (awareness mottos).

These activities are seen to contribute to the attainment of Goal No. 5 of the SDGs "Gender Equality" and Goal No. 10 "Reduced Inequalities."

In light of the importance of these goals, the JBA treats these human rights and diversity-related efforts as one of its key initiatives, which will be promoted over the medium- and long-term.

### (1) Seminars on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent

For the purposes of member banks' human rights education activities, since 1981 the JBA has sponsored seminars held twice annually by specialists on human rights and the issues of discrimination against social minorities based on descent, establishing opportunities for a keener awareness of human rights issues and for the provision of information on questions surrounding human rights. To date, various lectures have been held on topics such as the issues of discrimination against social minorities based on descent and human rights issues in industry and banking, as well as newly emerging issues including harassment, LGBT, and discrimination against persons with disabilities and persons from other countries.

The seminar held in July 2023 focused on the societal pressure highlighted in Japanese society following the COVID-19 pandemic. This seminar was conducted online with the theme "Human Rights Violations Caused by Societal Pressures," which delved deeper into the realities of societal pressure, differences in global and Japanese perspective towards society, and what actions should be necessary to respect individuals in society and the workplace.

Lecturer:

Naoki Sato, Honorary Professor of Kyushu Institute of Technology

In the online seminar in March 2024, various issues were raised with the theme of "Elderly Rights" in the super-aging Japanese society, which included dementia, abuse, LGBT rights among the elderly, and financial fraud. The seminar also focused on the current situation of the elderly and the necessary measures for financial transactions.

Lecturer:

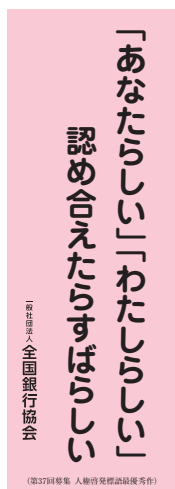
Shuichi Sekiguchi, Human Rights Training Instructor from Tokyo Metropolitan Human Rights Promotion Center

### (2) Seminar on Promoting Initiatives for Achieving Gender-Equal Society

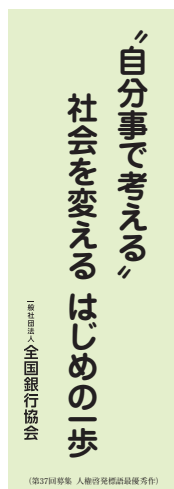
In February 2024, an online seminar entitled "Promoting Initiatives for Achieving Gender-Equal Society" was held for all member banks with the main purpose of further advancing efforts toward realizing a gender-equal society in the banking industry.

On the day of the seminar, speakers from the Gender Equality Bureau Cabinet Office and experts discussed domestic and international trends towards achieving a gender-equal society. Additionally, specific initiatives in financial institutions were introduced by Mizuho Financial Group.





The Bank of Yokohama, Ltd.  
Nozomi Matsuura



Aozora Bank, Ltd.  
Yui Okada

### (3) Human Rights Maxims Contest

In order to raise the human rights awareness of member banks' employees, since 1987 the JBA has been inviting member banks' employees to submit maxims (awareness mottos) relating to human rights.

In FY2023, the 37th round of solicitation for human rights maxims (awareness mottos) brought more than 66,000 proposals. From among these, 40 entries were selected for awards (2 grand prizes, 8 awards of excellence, and 30 high-quality awards).

### (4) Issuance of the "Human Rights Newsletter"

The "Human Rights Newsletter" has been published periodically since FY2018 to provide information on human rights on a regular basis and to support member banks' human rights education activities.

In FY2023, No. 10 was issued in September 2023 and No. 11 in March 2024. The content of these newsletters is summarized below.

	Contents
No. 10 (published September 2023)	<ul style="list-style-type: none"> <li>Winning entries of the 36th round of solicitation for human rights maxims</li> <li>Introduction of member banks' efforts (Mizuho Financial Group, initiating information exchange and communication through the publication of human rights reports)</li> <li>Seminar on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent (Human Rights Issues regarding Sexual Minorities and Corporations)</li> <li>Is this harassment? Q&amp;A</li> <li>Human rights-related laws and regulations</li> </ul>
No. 11 (published March 2024)	<ul style="list-style-type: none"> <li>Winning entries of the 37th round of solicitation for human rights maxims</li> <li>Introduction of member banks' efforts (JP Morgan Chase Bank)</li> <li>Seminar on Human Rights and the Issues of Discrimination against Social Minorities Based on Descent (Human Rights Violations Resulting from Societal Pressure)</li> <li>Is this harassment? Q&amp;A</li> <li>Human rights-related laws and regulations</li> </ul>

## (5) Publication of Human Rights Education Booklet

For the proactive advancement of human rights education and information activities for new hires of member banks, the JBA has since 2003 annually revised and issued a publication entitled "For the Protection of Everyone's Human Rights" with editorial supervision by the Centre for Human Rights Education and Training (hereinafter referred to as the "Human Rights Education Booklet"), as material to be used for training. The booklet takes up a wide range of newly emerging topics and issues related to corporate activity and human rights.

The editorial content comprises articles such as "Relationship between Companies and Human Rights: Corporate Responsibility," "Human Rights Issues Surrounding Companies: Banking and Human Rights" (concerning human rights of persons from other countries, persons with disabilities, and the elderly, etc.), and "Human Rights and Respect for Individuality at the Workplace" (concerning harassment, discrimination against women, and LGBT issues, etc.).

In FY2023, the following information was added or revised, and the revised edition was published in March 2024.

- Amended Law on Childcare and Family Care Leave Act enacted in April 2023
- Act on Promoting Public Understanding of Diversity in Sexual Orientation and Gender Identity enacted in June 2023
- Introduction of the Complementary Protection Status Certification System in December 2023
- Amended Guidelines for Promoting Elimination of Discrimination Based on Disabilities in Financial Services Agency's Managed Business Fields enacted in April 2024
- Domestic Violence (DV) Prevention Act
- Revisions in considerations of changes in the social environment, and updates to figures and tables

Furthermore, updates have been applied to the "Understanding Test" and "Training PowerPoint" to align with the revised human rights training text.



Human Rights Education Booklet

# Efforts of Member Banks



## 1 Financial and Economic Education Initiatives



# The Juroku Bank, Ltd. JUROKU Financial Group

## Systematic Menu for Financial Literacy Education: "Juroku MONEY COLLEGE"

### Summary of the Initiative

Releasing the systematic menu for financial literacy education, "Juroku MONEY COLLEGE," in January 2023, the Juroku Bank started operating this initiative in April the same year. This menu covers and offers various educational topics beyond the financial basics and asset formation typically included in financial education offerings.

Specifically, considering the lowering of the age of majority which allows individuals to use loans and credit cards without parental consent from the age of 18, the "Loan Course" explains points to be aware of regarding borrowing and common problems that may arise. Additionally, another course entitled "Cashless Course" was launched to accommodate diverse and complicated payment methods. Moreover, the professional investment firm under the Juroku Financial Group supporting ventures holds the "Entrepreneurship Course" for high school and university students. These initiatives offer opportunities to learn how to generate business ideas and entrepreneurship methods to nurture next-generation business leaders.

### Background of the Initiative

The Bank has previously planned and implemented financial education programs in local schools. But these initiatives were managed individually by each nearby branch or the headquarters, resulting in a lack of an integrated course menu across the Bank. Given this situation, the Bank has worked on incorporating the offerings for financial education into a unified menu so that it can be presented to schools and other institutions.

Additionally, amid a growing interest in financial literacy because of the lowering of the legal majority age and the starting of asset formation classes, the Bank felt that incorporating the knowledge of

the group companies into the menu would enable the Bank to offer a diverse range of program content.

This led to the completion of a "Juroku MONEY COLLEGE" including themes such as cashless transactions and entrepreneurship, which were previously unavailable.

### Results of the Initiative

The Bank began offering the "Juroku MONEY COLLEGE" course in April 2023 targeting on high school students, and approximately 7,100 students enrolled in this program during the year until March 2024.

Students who learned about cashless payments and financial problems commented that "I was able to understand that we have to take responsibility even in simple and familiar contracts for things like credit cards," and "I learned about precautions to take to avoid getting involved in financial crimes."

High school students who participated in the entrepreneurship course expressed their desire to become entrepreneurs who can bring their ideas to life.

Teachers from local high schools were also impressed with the Bank's program course, noting its significance in nurturing young people aiming for entrepreneurship as a meaningful approach.

### Issues and Objectives for the Future

The Bank's goal is to engage a total of 20,000 participants in the five years until FY2027. The Bank is committed to enhancing financial literacy in the region and nurturing future leaders who will serve as a driving force for the local economy.

#### Planning of "Juroku MONEY COLLEGE"

<https://www.16fg.co.jp/release/files/20230119.pdf> (Japanese only)

#### The "Juroku MONEY COLLEGE" financial literacy course was held.

<https://www.16fg.co.jp/news/files/20230425.pdf> (Japanese only)



Seminar menu for "Juroku MONEY COLLEGE"



Giving a Lecture to High School Students



# The Kanagawa Bank, Ltd. KANAGAWA BANK

## Holding the *Kanagin* Financial Workshop and *Kanagin* Baseball Clinic

### Summary of the Initiative

The Kanagawa Bank is the official sponsor of the Kanagawa Future Dreams, a professional baseball team in the independent Baseball Challenge League (Route Inn BCL) established in Kanagawa in 2020.

In collaboration with this baseball team, the Bank sponsored the "Kanagawa Bank 70th Anniversary Game" in July 2023 to celebrate the 70th anniversary of the Bank's establishment. Alongside this event, the Bank also held the "*Kanagin* Financial Workshop" and "*Kanagin* Baseball Clinic" for children from local youth baseball teams from Yokohama and the surrounding areas.

Both children and the players from the team participated in the "*Kanagin* Financial Workshop" and tried to become "Money Doctors" by engaging in interactive quizzes about the importance of money management, including the costs of growing up and lifetime expenses.

At the "*Kanagin* Baseball Clinic," the professional baseball players taught children basic baseball skills such as catching and fielding, facilitating meaningful interactions between the players and young participants.

### Background of the Initiative

While the NISA system is expanding with the increasing shift from savings to investment, Japan still has a high savings rate, and

enhancing financial literacy among the young generation, who will support the future, is crucial.

The Bank conducted these initiatives based on the idea that children are more likely to retain financial knowledge when it is integrated with activities they can enjoy.

### Results of the Initiative

In July 2023, the number of participants doubled compared to when the same program was held the previous year.

The opportunity to interact with professional baseball players provided children with a valuable experience. Teaching financial knowledge through interactive quizzes made the learning process impressive for the children, effectively contributing to improved financial literacy.

### Issues and Objectives for the Future

The Bank will continue to implement similar initiatives so that participants can apply what they gained in these classes to their future asset formation.

To facilitate this, the Bank are committed to enhancing its outreach efforts to significantly increase the number of participants.

#### For further information

[https://www.kanagawabank.co.jp/public/kouken/future\\_dreams.html](https://www.kanagawabank.co.jp/public/kouken/future_dreams.html) (Japanese only)



*Kanagin* Financial Workshop



*Kanagin* Baseball Clinic

## 2 Environmental Initiatives



# Mitsubishi UFJ Financial Group, Inc. (MUFG)



## Implementation of Carbon Neutrality (CN) Initiatives

### Summary of the Initiative

In May 2021, MUFG announced the "MUFG Carbon Neutrality Declaration" and became the first bank in Japan to announce its commitment to achieving net zero GHG emissions from the financed portfolio by 2050 and net zero GHG emissions from its own operations by 2030.

In addition, MUFG's initiative contributes to advancing global efforts for achieving CN.

### Background of the Initiative

MUFG has established priority issues in its sustainability management to realize a sustainable environment and society. Among them, Achievement of Carbon Neutral Society has been actively addressed through various initiatives, including the formulation of the "MUFG Environmental and Social Policy Framework" to appropriately identify and manage risks associated with business activities, and the setting of sustainable finance targets. Under the CN Declaration, MUFG is accelerating its group and global initiatives.

In April 2024, MUFG published the "MUFG Climate Report 2024," aiming to share with its shareholders the progress and results of MUFG's wide-ranging decarbonization efforts along with the underlying thought process, in addition to the details of the transition plan based on the GFANZ guidance.

### Results of the Initiative

MUFG embraces society's expectations for MUFG to lead carbon neutrality in Japan and elsewhere in Asia as one of the region's leading financial institutions. MUFG believes that engaging with customers, promoting transition financing, and helping shape international rules are three actions that financial institutions have a duty to undertake.

To achieve carbon neutrality, it is important to work toward realistic emissions reductions in the real economy through engagement, not divestment. MUFG engages in dialogue with approximately 1,500 corporate customers across the globe to understand their challenges and emerging needs so that MUFG can provide them with tailored solutions. MUFG is also steadily building transition finance track records.

Pathways toward carbon neutrality differ among Europe, the U.S., and Japan due to differences in geography, industrial structure, and energy generation composition, and therefore, it is important for MUFG to gain understanding of these pathways from stakeholders across society in order to support accountable transition. In September 2023, MUFG released "MUFG Transition Whitepaper 2023." This paper summarizes MUFG's initiatives aiming at a more sophisticated circular economy, including coverage of technologies and supply chains to promote carbon neutrality in electric generation and heat in Japan. Additionally in November 2023, MUFG published "MUFG Asia Transition Whitepaper 2023 (Asia Whitepaper)" in collaboration with its Partner Banks to further contribute to decarbonization efforts in Asia. The Asia Whitepaper assesses the market environment and decarbonization challenges of power sectors in Indonesia and Thailand and proposes tangible solutions – from a financial institution's perspective – towards decarbonization.

Furthermore, MUFG has led discussions in the Net-Zero Banking Alliance (NZBA) and the Asia Transition Finance Study Group (ATFSG) to develop frameworks for transition finance. With the aim of scaling up transition finance, the NZBA Transition Finance Work Track chaired by MUFG published "[Developing Metrics for Transition Finance–NZBA Discussion Paper](#)" in December 2023.

### Issues and Objectives for the Future

The trend toward the realization of a sustainable society, including decarbonization, is irreversible. MUFG aims to realize a decarbonized society together with its customers through dialogue and engagement activities, as well as the provision of products, services, and information.

#### Disclosure Based on TCFD Recommendations

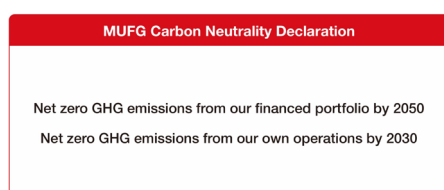
<https://www.mufg.jp/english/csr/environment/tcfd/index.html>

#### MUFG Climate Report

<https://www.mufg.jp/english/csr/report/progress/index.html>

#### Transition Whitepaper/ Asia Transition Whitepaper

<https://www.mufg.jp/english/csr/report/transition/index.html>



MUFG Carbon Neutrality Declaration



Climate Report





# The Yamagata Bank Ltd. Yamagata Bank

## Promotion of Forest Conservation and Carbon Neutrality in the Yamagin Zao Quasi-National Park

### Summary of the Initiative

Endorsing the "Yamagata Kizuna Forest Creation" initiative led by the Yamagata Prefectural Government, since 2010, the Yamagata Bank has supported the prefecture's first funding-based project for forest creation after entering into a collaborative agreement for "Yamagin Zao Quasi-National Park Forest" with Yamagata Prefecture and the Public Interest Incorporated Foundation for Forest and Greenery Promotion in Yamagata. This project involves the Bank contributing part of the cost for forest maintenance, which supports the organization in performing thinning operations in the cedar forest of Zao Quasi-National Park. In addition to the "Yamagin Zao Quasi-National Park Forest," the Bank is committed to spreading forest maintenance activities throughout the prefecture, including a collaboration with four local shinkin banks as part of the activities under the "Gurutto Hanagasa no Mori Forest," carrying out annual underbrush clearing and tree planting across various forest areas.

### Background of the Initiative

In Yamagata Prefecture, about 70% of the land is forested, encircling the plains and basins where its residents live. The Bank is committed to preserving these abundant forests, managing and cultivating such forests that help prevent global warming. The Bank's policy is to contribute to achieving carbon neutrality by increasing CO<sub>2</sub> absorption.

### Results of the Initiative

In addition to supporting the water source recharge function, which enriches and supplies water, this initiative brings various benefits for

the lives of people both within and beyond the prefecture. These benefits include securing safety for residents through land conservation measures that prevent landslides and soil erosion, conserving biodiversity within the quasi-national park, and offering health and recreational benefits through its hot springs and the picturesque natural scenery across the seasons. Furthermore, planned forest management activities, such as thinning, have secured the absorption of approximately 400 tons of CO<sub>2</sub> annually. The "Yamagata Kizuna Forest Creation" initiative, funded by corporate contributions, has expanded to include five companies since FY2021, and the area under forest management grew to about 115 hectares in FY2022, an increase of about 66 hectares from the previous year, demonstrating significant regional impact over the entire prefecture.

### Issues and Objectives for the Future

The Bank's continuous forest conservation initiative was highly evaluated, which led to receiving the Excellence Award (Director-General of the Forestry Agency Award) at the "Forest x Decarbonization Challenge 2023," organized by the Forestry Agency.

The Bank will continue the initiative and efforts to cultivate greater interest and awareness in forest conservation among a broader range of individuals, including its employees, their families, and the local community, encouraging them to engage in such activities by starting with what they can do.

**Forest Management and Preservation of Rich Mountains (Integrated Report)**  
<https://www.yamagatabank.co.jp/investor/library/disclosure/2023/index.html#page=47>  
 (Japanese only)

**Forest x Decarbonization Challenge 2023 (News Release)**  
<https://www.yamagatabank.co.jp/release/pdf/2444.pdf>  
 (Japanese only)



Weeding



Forestry Agency Award Ceremony



# The Joyo Bank, Ltd.

JOYO BANK

MEBUKI  
Financial Group

## Initiative for Regional Carbon Neutrality

### Summary of the Initiative

- Established "Joyo Green Energy Co., Ltd." (JGE) in July 2022 to roll out business contributing to regional carbon neutrality.

Primary Operations:

- (1) Renewable energy procurement and electricity sales business

Through the acquisition of both operational and newly developed renewable energy sources, this business sells electricity to utilities under the Feed-in Tariff (FIT) system and supplies green power (non-FIT) to regional businesses.

- (2) Business contributing to regional carbon neutrality

Since February 2023, the corporate PPA business has been launched to support local governments and regional companies in their efforts for decarbonization.

- (3) Additional related businesses (carbon offsetting)

In September 2022, started selling J-Credits, issued based on the CO<sub>2</sub> absorption capacity of forests, to regional businesses.

### Background of the Initiative

- Amid rapidly increasing awareness of carbon neutrality, the need to migrate to renewable energy for their own power usage has become apparent not only among major enterprises but also among regional SMEs.
- Having worked on the proliferation of renewable energy in the region through financing, the Joyo Bank have now established JGE to make more direct contributions to regional carbon neutrality, acquiring renewable energy power sources, and launching power generation and other derivative businesses.

### Results of the Initiative

- (1) Renewable energy procurement and electricity sales business

As of the end of September 2023, the Bank had acquired around 6 MW in total renewable energy capacity through the purchase of existing solar power installations. Initially, the Bank's plan at the company's founding was to invest approximately 5 billion yen within three years of operation. Currently, the Bank are progressing largely as scheduled. Moving forward, the Bank will continue to either acquire operational energy sources or pursue new power source developments incrementally.

- (2) Business contributing to regional carbon neutrality

In April 2023, the Bank started supplying electricity to Yachiyo-cho in Ibaraki through an on-site PPA (with a solar carport installed at the town hall's parking lot). In addition, in August 2023, the commercialization of

off-site PPA (non-FIT power source development project), which involves developing around 20 MW over the next three years, was determined.

- (3) Additional related businesses (carbon offsetting)

In September 2022, JGE purchased about 600 tons of J-Credits generated by a Forestry Association in Ibaraki and developed a private placement bond product that included an option to purchase J-Credits (a bond accompanied by a donation service). The Bank then sold these J-Credits to the companies that issued private placement bonds and donated to the Forestry Association that produced the J-Credits. These bonds were sold out by the end of December 2022.

### Issues and Objectives for the Future

- The Bank will continue to acquire high-quality power sources and accumulate business know-how, advancing the Bank's initiatives to make further contributions to regional carbon neutrality.
- The Bank have temporarily stopped handling the Bank's carbon offset initiatives, as all J-Credits are now sold out. Currently, the Bank is planning future actions and initiatives.

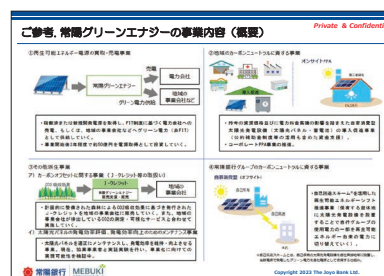
### News release

<https://www.joyobank.co.jp/news/> (Japanese only)

- Jul. 28, 2022: Establishment of Joyo Green Energy Co., Ltd.
- Sept. 28, 2022: Launch of Private Placement Bonds with an Option to Purchase J-Credits
- Feb. 28, 2023: Initiation of PPA Business
- Apr. 27, 2023: Initiation of Electricity Supply to Yachiyo-cho through PPA
- Sept. 7, 2023: Initiative related to Off-site PPA with home village Co., Ltd. and Marubeni Power Retail Corporation
- Dec. 4, 2023: Award at the 3rd Regional Revitalization SDGs Finance Recognition



On-site PPA Initiative Case Study



Joyo Green Energy's Business Content (Overview)



# The Hiroshima Bank, Ltd. HIROSHIMA BANK

## Consultation for Carbon Neutrality Support

### Summary of the Initiative

For corporate clients of the Hiroshima Bank, the Bank have established a comprehensive service using the Bank's group capabilities and alliances to enhance their approach to carbon neutrality. This service covers every step from initial assessment to the implementation of tailored strategies, including measure proposal and plan formation, all customized to suit the company's size, engagement status, and specific needs.

Launched in December 2021, this initiative has expanded to include the development of dialogue tools, seminar hosting for information sharing, the enhancement of sustainable finance options such as sustainability-linked loans, and intensified collaboration with the Bank's group companies and alliance partners.

### Background of the Initiative

Amid accelerated international decarbonization through the Paris Agreement and supported by the Japanese government's "2050 Carbon Neutrality Declaration," local companies, especially those in core local industries such as automotive and shipbuilding, are now urgently required to address carbon neutrality. As a regional financial institution, the Bank consider it the mission to facilitate and support these local businesses in their shift towards carbon neutrality. With this, the Bank have launched the initiatives in collaboration with the Bank's group companies and external experts.

### Results of the Initiative

The Bank believes the most significant achievement to date is the increase in opportunities for dialogue with corporate clients about management issues from the perspective of sustainability topics such as carbon neutrality. Sharing challenges with clients through conversations has led to an increase in the provision of sustainability-related solutions, such as sustainability-linked loans.

### Issues and Objectives for the Future

For clients who have already worked on sustainability, the Bank will continue dialogue with them and aim to provide even more effective support by enhancing and delivering solutions that meet their specific needs and challenges.

On the other hand, despite the expanding range of sustainability solutions being provided, specific discussions on carbon neutrality reveal that most corporate clients report no demands from their business partners and the absence of tracking CO<sub>2</sub> emissions, indicating that many do not yet recognize carbon neutrality as an immediate concern. Therefore, the Bank are currently revising dialogue tools to better raise awareness and educate on the need for carbon neutrality, and the Bank will continue this honest dialogue.

#### For further information

<https://www.hirogin.co.jp/ir/news/paper/news211209.pdf> (Japanese only)



Overview of Comprehensive Consulting for Corporate Clients on Carbon Neutrality

### 1. なぜ中小企業もカーボンニュートラル？

- ・カーボンニュートラル（脱炭素）の潮流
- ・なぜビジネスの世界でもこんなに加速している？
- ・大企業だけの問題ではなくなった
- ・中小企業にとってのリスクとチャンス

### 2. 中小企業は何をすればいい？

- ・カーボンニュートラル対応への取組ステップ
- ・自社のCO<sub>2</sub>排出量把握が第一歩
- ・CO<sub>2</sub>排出量の削減方法は？

### 3. 広島銀行からのご案内

Dialogue Tools with Corporate Clients "Proposals for Achieving Carbon Neutrality"





# SBI Shinsei Bank, Limited

## Promotion of Support for Step-by-step Decarbonization Transition

### Summary of the Initiative

Climate transition finance is a financial method for supporting companies when they examine climate change risk measures and undertake efforts to reduce greenhouse gas emissions based on long-term strategies toward the realization of a decarbonized society. Instead of focusing solely on the allocation of funds within this financing, SBI Shinsei Bank comprehensively evaluates the decarbonization transition strategies of the Bank's clients, as well as the reliability and transparency of their implementation efforts. As a financial provider, the Bank actively support and facilitate the secure transition of the Bank's clients.

### Background of the Initiative

The Bank acknowledges that financially supporting sectors with high greenhouse gas emissions is crucial for addressing climate change, representing a social responsibility for financial institutions. To support the step-by-step transitional efforts made by the Bank's clients for decarbonization, the Bank has established a cross-departmental transition task force to facilitate dialogue with the Bank's clients. Additionally, the Bank provide strategic transition support, taking into consideration potential business opportunities for the Bank's clients.

### Results of the Initiative

In April 2023, to achieve a decarbonized society as a goal that should be pursued globally, the Bank issued its first climate transition finance, a syndicated loan of 17.6 billion yen, to JERA Co., Inc. (JERA), which is proactively implementing various transition strategies. Upon issuance, the Bank's Sustainable Impact

Assessment Department reviewed JERA's mid- and long-term transition strategies and assessed their compatibility with international standards, including the "Climate Transition Finance Handbook" and other relevant principles.

Additionally, multiple departments within the Bank collaborated to help other financial institutions better understand JERA's transition strategies and the significance of transition finance. As a result, this collaborative effort led to a syndicated loan involving 10 banks, including the Bank, which received positive feedback from JERA.

### Issues and Objectives for the Future

The Bank's group is committed to supporting the decarbonization efforts made by clients and aims to boost the global movement toward decarbonization by generating a larger financial flow through collaboration with regional financial institutions and others.

With the goals of accumulating a total of 5 trillion yen in sustainable finance by the end of FY2030, and supporting the transition of high greenhouse gas-emitting sectors, the Bank will make further contributions to the creation of a sustainable environment and society.

#### News release

<https://corp.sbishinseibank.co.jp/ja/news/news/20230428a.html> (Japanese only)

#### Evaluation Report

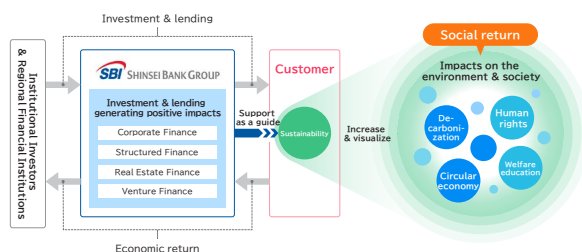
[https://www.sbishinseibank.co.jp/institutional/sustainable\\_finance/pdf/pctf230428.pdf](https://www.sbishinseibank.co.jp/institutional/sustainable_finance/pdf/pctf230428.pdf) (Japanese only)

#### Website

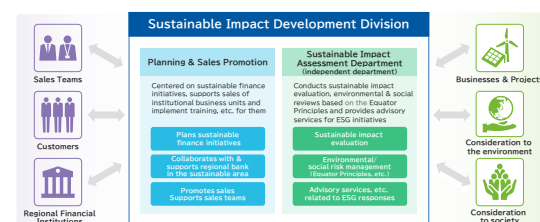
[https://www.sbishinseibank.co.jp/institutional/en/sustainable\\_finance/](https://www.sbishinseibank.co.jp/institutional/en/sustainable_finance/)

#### Integrated Report 2023 (P. 39 - 40)

<https://corp.sbishinseibank.co.jp/en/ir/library/integrated.html>



The Concept of "Sustainable Impact" at SBI Shinsei Bank



Introduction of the Sustainable Impact Development Division

## 3 Diversity Promotion Initiatives



# The Hachijuni Bank, Ltd. HACHIJUNI BANK

## Efforts to Promote Paternity Involvement

### Summary of the Initiative

The Hachijuni Bank has developed various initiatives while forming a "Basic Diversity & Inclusion Policy" to ensure that every uniquely talented employee can acknowledge and elevate one another, contributing collectively to the clients and the community.

As part of this commitment, the Bank is actively promoting paternal involvement in childcare. To make it standard for male to participate in childcare, the Bank has set a goal of achieving a 100% uptake rate for parental leave and are vigorously promoting this initiative. Below are the main initiatives the Bank is developing:

#### (1) Enhancement of the Parental Leave Program

In October 2022, the Bank updated its proprietary parental leave policy, enabling employees to take up to 10 days of leave through the end of the month when their child reaches two years of age. The Bank extended both the total number of days available and the duration of eligibility, and introduced the option to take leave in one-minute increments. This enhancement has made the system more adaptable to the unique needs of each family.

#### (2) Raising Awareness of Male Involvement in Childcare

To promote male involvement in childcare, the Bank has compiled and distributed a guidebook which outlines its parental leave policy. Additionally, the Bank's employees are required to submit a "Childcare and Household Duties Participation Action Plan" before the leave is taken, in order to enhance the quality of their parental leave. For managers, the Bank has created a guidebook which outlines strategies for supporting their team members in maintaining balance between work and childcare along with the training programs offered.

#### (3) Addressing Unconscious Bias

To raise awareness of "unconscious bias," which includes entrenched gender role perceptions, the Bank offers workshops as part of its various training programs.

### Background of the Initiative

The Bank's efforts include creating and offering a workplace where individuals of any gender can excel. One of the critical barriers to male participation in childcare and female career advancement is the entrenchment of gender roles, specifically the notion that "male are breadwinners, female are homemakers." The Bank believes that eliminating this stereotype is essential for realizing true diversity and inclusion, enabling all talents to thrive.

### Results of the Initiative

While the rate of paternal leave taken by male employees was 35.9% in FY2020, it significantly increased to 124.0%\* in the first half of FY2023.

Male employees who took paternal leave have developed greater initiative in household and childcare duties, leading to increased involvement in these areas after their leave. Furthermore, taking leave prompted a review and documentation of work processes, mitigating job dependency and enhancing operational efficiency. Additionally, fostering a "spirit of mutual support" has helped cultivate a more supportive and enjoyable workplace culture.

\*The rate of paternal leave taken is calculated by dividing the number of male employees who commenced paternal leave during the period by the number of those whose partners gave birth in the same period.

### Issues and Objectives for the Future

When it comes to the rate of paternal leave taken, the Bank has successfully met its goal of 100%. However, increasing the duration of leave taken remains the area the Bank has to work on in the future. The Bank will continue to raise awareness and enhance the workplace environment to promote a workplace culture where employees of all genders can work comfortably and feel engaged.

#### For further information

<https://www.82bank.co.jp/about/esg/diversity.html> (Japanese only)  
<https://www.82bank.co.jp/english/pdf/ar2023.pdf>



Image of the Work-Life Balance Support Guidebook



Training Course on Unconscious Bias



# Aozora Bank, Ltd.



## Creating Opportunities for Female Employees/Support Diverse Career Formation

### Summary of the Initiative

One of the key priorities upheld by Aozora Bank is to respect one's colleagues and support professional growth of all team members. With that, the Bank cherishes a corporate culture that respects diverse perspectives, values free and open communication, and emphasizes teamwork.

Additionally, since FY2021, the Bank has set specific goals for increasing the ratio of women, non-Japanese, and mid-career hires in management positions. The Bank is reinforcing its efforts to ensure diversity of core talent in appointments and has been developing human resource development and environmental policies.

### Background of the Initiative

- Creating opportunities for Female Employees

The Bank conducted HR reform in FY2020 to abolish the "*Ippan-shoku* (non-professional career category)" and eliminated career course-based limitations on roles and responsibilities. The Bank took this initiative with the aim of ensuring that opportunities for advancement are equally available to all employees who are eager to take on challenges. Additionally, the Bank provides career training and short-term traineeships within the Bank to employees who have transferred from "*Ippan-shoku*" to professional in order to encourage them to take on the challenge of expanding their areas of experience from the perspective of mindset and business skills.

- Supporting Diverse Career Formation

The Bank launched the "Career Building Support Program" for each employee, including new graduates, mid-career hires, and senior staff, to proactively develop their careers with the awareness

of career autonomy, and visualized details of the program. The Bank also developed a "Training Platform" that allows employees to explore various departmental specialties through videos and other resources. In response to the increasing diversity in career perspectives among employees, starting in FY2023, the Bank has assigned career consultants with national certificates to provide continuous career counseling, enhancing support for career development needs of all employees.

### Results of the Initiative

The rate of female managers rose from 11.6% at the end of FY2019 to 13.3% at the end of FY2022, while that of female managers who are mid-career hires increased from 37.9% to 49.6%.

Furthermore, consistent efforts over the past years in addition to the initiatives mentioned above have led to a unique workforce structure, which is unusual among domestic banks, consisting of 60% new graduates and 40% mid-career hires. Additionally, the average tenure of female employees is notably long at 16.4 years, exceeding that of male employees at 15.2 years. This fact demonstrates the Bank's flexible corporate culture that respects diverse perspectives and values.

### Issues and Objectives for the Future

Moving forward, the Bank will continue its meticulous assessment of each employee's efforts to take on challenges, aiming to achieve optimal assignment that broadens their areas of activity.

Integrated Report—Annual Report—2023 (eir-parts.net)  
[https://ssl4.eir-parts.net/doc/8304/ir\\_material\\_for\\_fiscal\\_ym19/141689/00.pdf](https://ssl4.eir-parts.net/doc/8304/ir_material_for_fiscal_ym19/141689/00.pdf)

Policies	Actions
Hiring and appointing people not just on ability, but emphasizing diversity	<ul style="list-style-type: none"> <li>• Continue to employ mid-career hires as well as new graduates</li> <li>• Strengthen recruitment of female key personnel in such ways as holding recruitment seminars for women</li> <li>• Promote appointment of human resources in decision-making positions while considering diversity</li> </ul>
Support female employees' career development	<ul style="list-style-type: none"> <li>• Promote taking on the challenge of undertaking operations without experience through such means as career building support programs and personnel transfers</li> <li>• Support diverse career formation through such ways as career seminars for women and utilizing career consultants</li> </ul>
Create a working environment where all employees can play an active role	<ul style="list-style-type: none"> <li>• Focus on investing in human capital, including rewarding employee contributions and providing career advancement opportunities</li> <li>• Maintain comfortable working environments and strive to improve job satisfaction</li> <li>• Improve the percentage of eligible male employees taking childcare leave</li> <li>• Create environments where employees with disabilities can work with peace of mind</li> </ul>

Human Resource Development and Environmental Policies

Categories	Current ratios	Ratios to be achieved
As of March 31, 2023		As of March 31, 2028
Female managers	13.3%	20% or higher
Female deputy managers	37.3%	40% or higher
Non-Japanese managers	2.8%	Maintain 3% or higher
Mid-career managers	49.6%	Maintain 40% or higher
Newly established: Percentage of eligible male employees taking childcare leave	91%	100% or higher

Goals and Progress of Core Talent in Appointments and Other Areas

## 4 Initiatives Regarding People with Disabilities and the Elderly



## Mizuho Financial Group

MIZUHO

Mizuho Financial Group

## Employment Support for Employees with Disabilities through Job Coaching

## Summary of the Initiative

In Mizuho, employees with diverse disabilities are actively making contributions across various workplaces. To ensure these employees can work confidently and continue to demonstrate their unique skills and personalities sustainably, Mizuho is committed to enhancing workplace environments and developing systems that support their ongoing active participation.

## Background of the Initiative

At Mizuho Business Challenged, a special subsidiary of Mizuho Financial Group, job coaches are playing central roles in supporting employees with disabilities in their employment and work advancement.

In locations with many employees with mental and developmental disabilities, Mizuho has focused on three key disability characteristics that can hinder their performance: (1) fatigue, (2) variable conditions, and (3) susceptibility to stress. Ongoing efforts have been made to alleviate these factors.

For example, using a "condition visualization sheet," employees and job coaches can monitor and share the employee's physical and mental state every morning. This proactive monitoring helps in taking timely actions before any deterioration in condition, leading to greater stability.

Moreover, Mizuho promotes "self-care," encouraging employees to take breaks to maintain an optimal state.

Initiatives such as the "Recovery Time" policy, which mandates hourly breaks, and the installation of "Green Rooms," private spaces

where individuals can be alone, are part of creating an environment where employees can work while managing their self-care effectively.

In addition to these measures, Mizuho offers personalized support that includes daily dialogues between employees and job coaches to address and solve challenges in work and life, provide advice on solutions, and accompany employees to medical appointments when necessary. This individualized support aims to foster the long-term engagement and development of our employees.

## Results of the Initiative, Issues and Objectives for the Future

Through measures tailored to these specific characteristics, many employees are able to work confidently, fully showcasing their capabilities, and Mizuho has maintained a high retention rate of 90%.

Moving forward, Mizuho will continue to enhance and expand its efforts to foster an environment that supports the stable employment, active engagement, and growth of employees with disabilities. Mizuho's goal is to build an organization and a society where everyone can work comfortably.

**Website of Mizuho Financial Group**  
Promoting the advancement of employees with disabilities  
<https://www.mizuhogroup.com/sustainability/employees/di/diversity#ai03>

**Integrated Report 2023**  
[https://www.mizuho-fg.co.jp/investors/financial/annual/data2303/pdf/data2303\\_all\\_browsing.pdf#page=29](https://www.mizuho-fg.co.jp/investors/financial/annual/data2303/pdf/data2303_all_browsing.pdf#page=29)

## Mizuho Business Challenged - Tsurumi Operation Center



"Green Room" - A private space where employees can be alone



Providing personalized support for employment, growth, and active participation



Workplace scene





# The Akita Bank, Ltd. The Akita Bank, Ltd.

## Toward a Long-Lived Akita

### Summary of the Initiative

In order to maintain and enhance the local vitality in an aging society, the Akita Bank has launched its original concept, "Nagaiki" (longevity), which symbolizes living a fulfilling, long life. Through "Nagaiki projects," the Bank has developed various initiatives. Believing that the key to longevity lies in a continuous aspiration to learn, the Bank has launched and are operating the core project, "Akigin Nagaiki School."

The Nagaiki School fosters energetic engagement and active social participation for seniors through learning, providing them with diverse learning opportunities in proactive collaboration with external organizations. In FY2023, under the theme "Creating New Value in the Community," the Bank focused on initiatives to generate new regional values. Working closely with entrepreneurs and younger business leaders, seniors learned about their passion for businesses and the local community, while holding classes featuring factory tours and hands-on production experiences to deeply engage participants in value creation. In the past, the school has conducted 65 classes and events, engaging over 4,500 participants. Currently, the school has approximately 800 students.

### Background of the Initiative

Through the "Nagaiki Project," the Bank aims to boost the number of active seniors, which the Bank believes will not only sustain and

enhance local consumption and augment the workforce but also extend healthy life spans. Additionally, the Bank strives to contribute to the development of vibrant multi-generational communities. The Bank's goal is to create a positive cycle that reduces the outflow of younger residents and increases the influx of new settlers into the region.

### Results of the Initiative

In January 2023, the Bank was honored with the "Akita SDGs Award 2022" by Akita Prefecture for the Bank's exemplary efforts toward achieving the SDGs. Additionally, in February of the same year, the Bank received the top prize in the "Akita City Age-Friendly Partner Awards," which recognize initiatives dedicated to fostering a senior-friendly urban city.

### Issues and Objectives for the Future

Today, in an era often referred to as the "100-year-life era," the Bank feels that the "Nagaiki" longevity concept to live vibrantly into old age should be adopted as a broader proposal for a new lifestyle beyond the senior generation. To become the leading "Nagaiki prefecture" in Japan, the Bank will continuously update and promote this project to maximize synergy with the Bank Group's existing business activities.

#### For further information

<https://www.akita-bank.co.jp/campaign/nagaiki/> (Japanese only)



Logo of the Akigin Nagaiki School



Scenes from the Autumn School Festival 2023

## 5 Initiatives to Reduce Poverty



# Sumitomo Mitsui Banking Corporation

(Sumitomo Mitsui Financial Group)



## SMBC Group Study Coupon Initiative

### Summary of the Initiative

In collaboration with Chance for Children, Inc. (CFC), SMBC provides learning opportunities primarily for children who are economically disadvantaged and lack educational opportunities by issuing "study coupons" that can be used for a wide range of extracurricular educational activities, including tutoring and lessons.

Supporting the "SMBC Group Study Coupon" initiative, SMBC is committed to providing 300 million yen over three years starting in 2023. In addition to financial support, SMBC assists in the planning and management of the program by providing staff to the organization. SMBC's employees also deliver financial literacy programs and participate in volunteering and pro bono activities, all aimed at enhancing the potential of future generations.

### Background of the Initiative

SMBC Group has established a new three-year mid-term management plan, "Plan for Fulfilled Growth," starting FY2023, which sets the creation of social value as a central pillar of its strategy. The plan aims to take the lead in solving various social issues as a corporate citizen, contributing to "fulfilled growth" where economic development and social issue resolution enable people to experience well-being and happiness. To make further contributions to achieve "fulfilled growth," SMBC has defined the elimination of "poverty and inequality" as a key critical issue and one of the urgent challenges that should be solved.

In SMBC's primary market, Japan, the child poverty rate is notably high among OECD nations, where "relative poverty" has become a serious problem, putting children at a disadvantage especially in areas such as healthcare, nutrition, and educational opportunities.

SMBC's initiatives target the cycle of poverty that results from economic disparities among parents leading to educational disparities among children. These disparities often prevent children from achieving their desired careers and limit their employment opportunities. By offering early educational opportunities, SMBC aims to equip children with the skills to live independently and address the broader social loss stemming from child poverty as a company.

### Results of the Initiative

With the plan to provide approximately 1,000 children with 300 million yen over the next three years, SMBC has started supporting about 200 third-year middle school and high school students who are preparing for their entrance exams in September this year.

Additionally, to manage this project in collaboration with CFC, SMBC plans to assign staff on transfer for three years so that SMBC can provide educational opportunities for as many children as possible.

### Issues and Objectives for the Future

SMBC hopes this project becomes a widely recognized exemplary model (system) of collaboration between companies and NPOs, encouraging more companies to engage in similar initiatives. Additionally, SMBC anticipates that collaborations with other companies, local governments, and administrative agencies will facilitate providing support for a broader range of regions and more children. Ultimately, SMBC expects this project to significantly enhance corporate contributions to solving societal challenges.

#### Initiatives aimed at providing children with educational opportunities

[https://www.smfg.co.jp/news/pdf/j20230522\\_01.pdf](https://www.smfg.co.jp/news/pdf/j20230522_01.pdf) (Japanese only)  
[https://www.smfg.co.jp/english/sustainability/materiality/community/poverty\\_inequality/](https://www.smfg.co.jp/english/sustainability/materiality/community/poverty_inequality/)

#### Vol.1 Poverty and Inequality: SMBC Group Targets "Poverty and Inequality" in New Medium-Term Plan | Nikkei Online Feature (smfg.co.jp)

<https://www.smfg.co.jp/fulfilledgrowth/article/001/> (Japanese only)



Learning experience at a tutoring center using coupons



Study Coupons





# The Bank of Yokohama, Ltd.



Bank of Yokohama

CONCORDIA  
Financial Group

## Hamagin: Creating the Future Action Program - Call for Activities to Support Children's Future

### Summary of the Initiative

Since April 2022, the Bank of Yokohama has operated "Hamagin - Creating the Future Action Program," aimed at NPOs operating primarily in Kanagawa Prefecture, helping them solve local societal challenges by providing financial incentives (up to 1 million yen to approximately three organizations). This program is conducted in collaboration with the Kanagawa Prefectural Government under the SDGs Promotion Agreement, and Yokohama National University, with which a comprehensive partnership agreement has been entered.

For both FY2022 (1st) and FY2023 (2nd), the program, under the theme "child poverty measures," solicited and selected ideas and plans that contribute to educational support, nutritional assistance, employment support, and counseling for single-parent households, child welfare services, and young carers, all aimed at enhancing education and life stability.

### Background of the Initiative

Concordia Financial Group identified "Supporting Living in the 100-Year Life" as a key materiality and is advancing efforts related to the goal of "1. No Poverty."

Recently, the impacts of COVID-19 and inflation have continued to affect single-parent families and households in financial distress. Various surveys indicate that these factors have led to increased disparities in study time and opportunities for experiences, contributing to growing isolation and loneliness among children.

The Bank has been actively engaged in social contributions to support the development of children who will serve as future pillars of the region. This program is positioned as a deepening of the Bank's ongoing social contributions, as the solicitation theme was set to "child poverty measures."

### Results of the Initiative

In FY2022, the Bank's encouragement grants were utilized to support initiatives that linked food provision with educational and counseling assistance and helped children who suffered from abuse become independent by providing them with food and necessities. More than 200 individuals received aid from these organizations. Additionally, the Bank advanced collaborative efforts by co-hosting an online meeting with the Kanagawa Prefectural Government for "Kanagawa SDGs Partners" (local enterprises) under the prefecture's registration and certification system for regional revitalization SDGs, facilitating NPO matches and promoting mutual assistance.

In FY2023, with one year from January 2024 as the designated activity period, organizations are currently implementing plans and initiatives aimed at reducing educational and experiential disparities, providing safe spaces for children, and supporting employment for those leaving child care centers.

### Issues and Objectives for the Future

The Bank aims to go beyond merely distributing encouragement grants by broadening collaborations with government agencies and related organizations. The Bank's goal is to explore and implement initiatives that expand the circle of support, ensuring sustainable assistance for NPOs.

#### For further information

<https://www.boy.co.jp/boy/csr/mirai.html> (Japanese only)



2nd Hamagin Creating the Future  
Action Program



Encouragement Grant Award Ceremony

## 6 ESG Loans and Regional Revitalization Initiatives



# The Nishi-Nippon City Bank Ltd. THE NISHI-NIPPON CITY BANK

## Efforts to Support Corporate Work Style Reform

### Summary of the Initiative

In September 2022, the Nishi-Nippon City Bank started offering the private placement bonds to support next-generation workstyles "Mirai eno Michi" (the "Private Placement Bond"), designed to support corporate work style reforms.

This Private Placement Bond features a unique partnership between the Bank and the Social Insurance Labor Consultant Association to facilitate the development and achievement of specific work style reform KPIs in companies. The Bank received a positive evaluation from the Japan Credit Rating Agency, which classified this bond as impact finance targeting specific outcomes.

The KPIs established by the issuing companies cover areas such as the implementation of new HR systems, productivity enhancement, and increased utilization of paid leave. The Bank provides ongoing, supportive assistance to help these companies meet their KPIs.

In addition, by extensively sharing details about the efforts and interviews from these issuing companies on the Bank's website, the Bank aims to enhance the awareness of job seekers for these initiatives and increase applicant interest in these companies, contributing to the promotion of work style reform in local businesses.

### Background of the Initiative

The working-age population, crucial to the workforce, is expected to decrease significantly, making personnel recruitment increasingly challenging for local businesses. The labor shortage in SMEs is intensifying annually, with many business managers identifying staffing as a critical management issue.

In response to numerous staffing inquiries received from customers, the Bank has launched this Private Replacement Bond to assist with corporate work style reforms.

### Results of the Initiative

In the first year after starting offering this Private Placement Bond, the Bank handled 28 cases amounting to approximately 2 billion yen. The issuing companies have reported that it has significantly deepened their commitment to work style reforms and effectively boosted their promotional efforts both internally and externally. Additionally, the Social Insurance Labor Consultant Association has given a high mark on this initiative as a valuable platform for proactive improvement proposals for businesses.

The Bank has also benefited from managing this Private Placement Bond, which has not only deepened its business viability assessment process, but also prompted the Bank to begin consulting on a wide range of management challenges beyond staffing, leading to the provision of multi-faceted solutions.

### Issues and Objectives for the Future

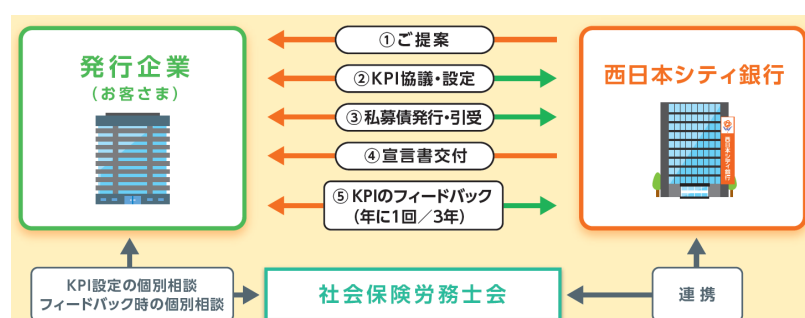
The Bank will continue to make further contributions to enhance corporate value and achievement of a sustainable society by providing a broad array of solutions, both financial and non-financial, tailored to the management challenges and needs of its customers.

#### News release

[https://www.ncbank.co.jp/noren/news/2022/\\_icsFiles/afidfile/2022/09/28/220928-5\\_3.pdf](https://www.ncbank.co.jp/noren/news/2022/_icsFiles/afidfile/2022/09/28/220928-5_3.pdf)  
(Japanese only)

#### Interview website

<https://biz.ncbank.co.jp/posts/private-placement-bonds-for-work-style-reform> (Japanese only)



Structure Overview

Declaration of Work Style Reform Including KPIs



# The Ehime Bank, Ltd. THE EHIME BANK, LTD.

Initiatives to Revitalize Regions through Hands-On Internships in Agriculture and Fisheries for University students in Collaboration with Local Governments and *KURADASHI* Co., Ltd.

## Summary of the Initiative

Since 2022, the Ehime Bank has collaborated with *KURADASHI* and local governments (Yawatahama City, Kamijima Town, Uwajima City, and Matsuyama City) to contribute to enhance the sustainability of the primary industries (by providing labor, expanding sales channels, and utilizing surplus food) and increase related communities (through interactions with students, exchange of opinions, and local promotion), according to regional characteristics. With the collaborative framework comprising of the public sector (local governments), finance (Ehime Bank), and the private sector (*KURADASHI* and local businesses), the Bank implement hands-on internships for university students as local producers. These internships enable students who are passionate about food loss issues and regional revitalization to assist with harvesting and engage in local community interactions across Japan, while contemplating ways to revitalize primary industries and regions. In addition, to contribute to reducing food loss and expanding market opportunities for producers, products harvested or processed by students, including non-standard items, are sold through *KURADASHI*'s e-commerce platform.

## Background of the Initiative

Stakeholders in the agricultural and fishery sectors in Ehime are facing and coping with several challenges due to aging, such as succession issues, labor shortages during the peak period in harvesting and packaging, and the need to enhance the value of substandard products. In addition, with the declining workforce of primary industries, there is a growing need for support that extends beyond financial assistance to include non-financial aspects such as human resources.

This initiative aims to solve these challenges by facilitating student interns with local producers, thereby creating opportunities for them to engage in agriculture and fisheries and helping to increase the related population. This, in turn, contributes to the development of

these sectors. Additionally, the Bank hopes there will be various spin-off effects such as regional revitalization through a variety of efforts, including student-driven information sharing, developing local revitalization strategies from a student perspective, and creating products from substandard agricultural produce.

## Results of the Initiative

During the internship, students noted that "the valuable experience of participating in harvesting allowed us to appreciate the challenges of producers and understand regional issues like labor shortages." Additionally, internship-related parties have commented that "this initiative brings benefits to the region and should be continued."

Moreover, this initiative was highly evaluated for its effectiveness and received a special commendation at the "Excellent Consumer-Oriented Management Example Awards" in 2023 hosted by the Consumer Affairs Agency, which was jointly awarded to the Bank and *KURADASHI*.

## Issues and Objectives for the Future

The Bank plans to enrich this initiative and creatively adapt it to be more beneficial for all participants, aiming to expand the number of accepting company and municipality. The Bank's future expectations include the following achievements:

- Growth in the population associated with local governments
- Higher local employment rates in the primary industry
- Incorporation of student proposals into regional revitalization measures
- Reduction in disposal costs for substandard products
- Development of new products based on student ideas

### Website of Ehime Bank's sustainability initiatives

<https://www.himegin.co.jp/sustainability/> (Japanese only)

### News release from the Consumer Affairs Agency

[https://www.caa.go.jp/policies/policy/consumer\\_partnerships/consumer\\_oriented\\_management/propulsion\\_organization/assets/consumer\\_policy\\_cms201\\_240123\\_02.pdf#page=2](https://www.caa.go.jp/policies/policy/consumer_partnerships/consumer_oriented_management/propulsion_organization/assets/consumer_policy_cms201_240123_02.pdf#page=2) (Japanese only)



Fruit Sorting Process



Special Award Ceremony

From left to right: Hanako Jimi, Minister in charge at the Cabinet Office; Yoshinori Nishikawa, President of Ehime Bank; Tatsuya Sekito, President of *KURADASHI*



## 7 DX Promotion Initiatives



# The Saikyo Bank, Ltd.



THE SAIKYO BANK, LTD.

## Efforts to Address Local Challenges in Collaboration with Local Businesses

### Summary of the Initiative

Leveraging the expertise of Shunan University, the Saikyo Bank analyzes various medium- and long-term challenges in the Shunan area with the goal of solving them through digital transformation (DX).

The Bank has established a joint research unit within the University, comprising the Bank staffs and four professors from the University. This team conducts educational activities, including symposiums and seminars on DX, and outreach courses for high school students. In addition, the team conducts research studies on the current state of DX initiatives and IT talent development among local businesses through questionnaire surveys with the aim of solving common regional challenges in the Shunan area through DX.

### Background of the Initiative

In June 2022, the Bank strengthened its collaboration with Shunan University by signing a comprehensive collaboration agreement. As part of this initiative, the Bank established the "Saikyo Bank Regional DX Joint Research Unit" within the University's "Regional DX Education and Research Center," dedicated to resolving common regional challenges through DX.

Furthermore, the Bank is reinforcing and accelerating its collaboration with the University by facilitating both long-term and short-term internships, conducting joint employment briefings, and overseeing entrepreneurship training programs.

### Results of the Initiative

A survey conducted among 172 companies in the Shunan area revealed that local business owners have increasingly been aware of the "importance and necessity of DX." The questionnaire survey confirmed that more than 60% of these companies face a challenging shortage of IT- and DX-related talent. Given this situation, the Bank offers outreach DX courses for high school students in order to nurture students who are interested in IT and DX. The Bank's initiatives include analysis of company-held data to provide advice for optimization.

### Issues and Objectives for the Future

In the future, the Bank will extract common challenges within the Shunan area that can be solved through DX. The Bank aims to analyze this collected data to forecast future trends and identify the best solutions, while returning them locally, which we will implement in collaboration with local businesses to enhance the community.

Furthermore, with the launch of the Information Science Department at the University in April 2024, the Bank plans to develop a nurturing environment for young data science professionals and establish opportunities for reskilling. The Bank's goal is to actively advance digital transformation in the Shunan area.

#### Press release from Saikyo Bank

<https://www.saikyobank.co.jp/personal/information/docs/20220914.pdf> (Japanese only)

#### Press release from Shuna University

<https://www.shunan-u.ac.jp/news/information/20220927-12338/> (Japanese only)



Ceremony of Signing the "Comprehensive Collaboration Agreement"



Visual Image of the Collaboration with Shunan University

Expert  
Column

# Domestic and International Trends Regarding SDGs/ESG in 2023

The Japan Research Institute, Limited  
Senior Counselor

Eiichiro Adachi



Graduated from Hitotsubashi University, Faculty of Economics in 1986. Joined the Japan Research Institute in 1990. Appointed counselor after positions in the Corporate Strategy Research Department and the Technology Research Department. Member of the Expert Panel on Sustainable Finance of the Financial Services Agency and Chairperson of the National Committee for ISO/TC322.



Note: This article was prepared based on information as of the end of December 2023.

## SDGs/ESG: Swayed by Current Reality

The Russian military invasion of Ukraine, which began in February 2022, continued through 2023. In October 2023, Hamas' attack on Israel triggered a retaliatory response from Israel, resulting in ongoing fighting and destruction in the Gaza, Palestine.

According to the "Global Trends Report 2022," an annual statistical report published by the United Nations High Commissioner for Refugees in June 2023, at the end of 2022, the number of people forcibly displaced by persecution, conflict, violence, human rights violations and events seriously disturbing public order was estimated at 108.4 million.<sup>\*1</sup> The actual number is likely higher, as many countries lack data on stateless individuals. After a conflict broke out in Sudan in April 2023, a new wave of refugees emerged, and by the end of May 2023, the estimated number had reportedly reached 110 million. The current situation that 1 person in every 80 has now been forced to flee their homes is most serious since the Second World War.<sup>\*2</sup>

The climate crisis has shown no signs of improvement. The Copernicus Climate Change Service (C3S) on behalf of the European Union reported that the June-July-August season for 2023 was the warmest on record globally in our data record going back to 1940, with an average temperature of 16.77°C. The June-July-August 2023 has seen record-breaking high sea surface temperature anomalies for the global ocean.<sup>\*3</sup> Arctic and Antarctic sea ice extent remained at a record low level since satellite observations began. Paris Climate Agreement aims to limit the global average temperature increase to 1.5 degree above pre-Industrial Revolution levels. However, by August 2023, temperatures had already risen by an estimated 1.23 degrees. If the trends of the past three decades continue, temperatures are expected to reach the 1.5 degree threshold by December 2034. The agency also suggested that 2023 is the warmest year in recorded history.<sup>\*4</sup>

In September 2023, the Extreme Weather Congress was held in Germany. During this event, Jochen Marotzke, Director of the Max Planck Institute for Meteorology, emphasized the severe reality by stating, "We have to accept the fact that the 1.5 degree target compared to pre-Industrial Revolution levels adopted at the Paris Climate Agreement in 2015 will be breached." Frank Böttcher, President of the German Meteorological Society, stated, "Policymakers and society as a whole must adapt their consumption

<sup>\*1</sup> <https://www.unhcr.org/global-trends-report-2022>

<sup>\*2</sup> <https://www.unhcr.org/news/stories/unhcr-s-grand-110-million-displaced-indictment-our-world>

<sup>\*3</sup> <https://climate.copernicus.eu/summer-2023-hottest-record>

<sup>\*4</sup> <https://climate.copernicus.eu/copernicus-november-2023-remarkable-year-continues-warmest-boreal-autumn-2023-will-be-warmest-year>

behavior and regulate in a "socially acceptable" manner, to bring resource use in line with environmental limitations and prepare for the impacts of climate change that can no longer be avoided."<sup>5</sup>

When considering SDGs and ESG (Environment, Social, and Governance), it has become increasingly difficult to discuss long-term perspectives and ideals, as people's attention is drawn to immediate issues. At the "Climate Ambition Summit" held in September 2023, United Nations Secretary-General António Guterres sternly urged nations to accelerate their efforts, stating, "Humanity has opened the gates of hell" and "we must make up time lost to the naked greed of entrenched interests raking in billions from fossil fuels."<sup>6</sup> In addition, at the "High-Level Political Forum on Sustainable Development" held the same month, he expressed his concern, saying, "Only 15 per cent of the SDGs targets are on track and many are going in reverse. Instead of leaving no one behind, we risk leaving the SDGs behind."<sup>7</sup>

## ESG Backlash in the United States

In February 2023, both houses of the U.S. Congress passed a joint resolution to invalidate a new rule issued by the Department of Labor in December 2022. This rule sought to clarify that fiduciaries of corporate pensions could consider ESG factors when selecting investments, setting investment policies, and exercising voting rights under the Employee Retirement Income Security Act (ERISA). In March 2023, President Biden vetoed the resolution, saying: "This resolution that would disapprove of the Department of Labor's final rule titled "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights." would prevent retirement plan fiduciaries from taking into account factors, such as the physical risks of climate change and poor corporate governance, that could affect investment returns. Retirement plan fiduciaries should be able to consider any factor that maximizes financial returns for retirees across the country." Despite this, the anti-ESG backlash continued in the U.S. throughout 2023.

The backlash includes the following three main components: (1) Enacting laws to prohibit or restrict ESG-focused investments and proxy voting by asset management firms, (2) Enacting laws to prohibit investments in or contracting with financial institutions that limit financing to the fossil fuel industry, and (3) Raising antitrust concerns about alliances of financial institutions aiming for

decarbonization. So far, 17 states have passed at least one anti-ESG law.<sup>8</sup> Under these circumstances, some financial institutions have reconsidered their ESG initiatives or withdrawn from alliances promoting decarbonization.

## Global Trends in Sustainability Disclosure

Nevertheless, the demand for disclosure in SDGs and ESG areas by corporations and financial institutions (collectively referred to as "sustainability disclosure" in this report) continued to evolve.

The Trustees of the IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB) on November 2021, has issued its inaugural standards—IFRS S1, "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2, "Climate-related Disclosures" in June 2023.<sup>9</sup> IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The ISSB has made these standards applicable for annual reports starting from January 2024. The release of these disclosure standards is strongly expected to streamline the previously fragmented requirements for sustainability disclosure.

ISSB started seeking feedback on its priorities for its next two-year work plan in May 2023. The ISSB has identified four potential projects: three sustainability-related research projects—1) biodiversity, ecosystems and ecosystem services; 2) human capital; 3) human rights—and 4) project researching integration in reporting.<sup>10</sup>

Whether to adopt IFRS S1 and S2 will depend on each individual country. In Japan, the Sustainability Standards Board of Japan (SSBJ) is currently working on developing Japanese disclosure standards based on those of the ISSB. Currently, the plan is to release a draft by March 2024 which will be finalized by March 2025, with early application of the Japanese sustainability disclosure standards expected for a fiscal year starting on or after April 1, 2025. Additionally, the SSBJ has stated that these standards will not be mandatory immediately upon publication. The timing for mandatory

<sup>5</sup> <https://www.cleaneconomywire.org/news/limiting-global-warming-15degc-has-factually-failed-german-scientists>

<sup>6</sup> <https://www.un.org/sg/en/content/sg/statement/2023-09-20/secretary-generals-opening-remarks-the-climate-ambition-summit>

<sup>7</sup> <https://www.un.org/sg/en/content/sg/statement/2023-09-18/secretary-generals-remarks-the-high-level-political-forum-sustainable-development>

<sup>8</sup> <https://assets.bbhub.io/professional/sites/24/MASTER-Factbook-COP28-Report.pdf>

<sup>9</sup> <https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/>

<sup>10</sup> <https://www.ifrs.org/news-and-events/news/2023/05/issb-seeks-feedback-on-its-priorities-for-the-next-two-years/>



application will allow for an appropriate preparation period following the publication of the standards.<sup>\*11</sup>

The Task Force on Nature-related Financial Disclosures (TNFD), an international organization jointly established by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wide Fund for Nature (WWF), and Global Canopy, also released the finalized framework v1.0 in September 2023.<sup>\*12</sup> The TNFD recommendations provide companies and financial institutions of all sizes with a risk management and disclosure framework to identify, assess, manage and, where appropriate, disclose nature-related issues. Similar to the TCFD, it recommends disclosing four pillars (1. Governance: oversight of the board of directors, 2. Strategy: short-, medium-, and long-term dependencies, impacts, risks, and opportunities, 3. Risk and Impact: organizational processes for identification, 4. Metrics and Targets: management processes) and 14 disclosure items (including the following three unique to TNFD: 1. Human rights policies for indigenous peoples and local communities, 2. Priority areas, and 3. Value chain considerations). Some Japanese companies have already begun to implement disclosures complying with TNFD recommendations.

In terms of unique domestic information disclosure requirements, the Cabinet Office Ordinance on Disclosure of Corporate Affairs was revised in January 2023, mandating the disclosure of sustainability information in securities reports starting from the fiscal year ending March 2023. In addition, in April 2023, the Child Care and Family Care Leave Act was amended, requiring companies (with more than 1,000 employees) to disclose the status of childcare leave taken by male workers annually.

## Domestic and International Trends in Green Transformation (GX) and the Expected Roles for Banks

In October 2020, the Japanese government announced its goal of achieving carbon neutrality by 2050. In 2021, the term "Green Transformation" (GX) started to be used by private companies and their executives. In February 2022, the government adopted this term in the "GX League Basic Concept" formulated by the Industrial Science and Technology Policy and Environment Bureau of the Ministry of Economy, Trade, and Industry. It was also included in the name of the GX Implementation Meeting established in July of the

same year. At the first meeting, an explanation was given that the "GX Implementation Meeting was convened to consider the necessary measures to transform the fossil fuel-centered economic, social, and industrial structures that have been in place since the Industrial Revolution into clean energy, thereby reforming the entire economic and social system, namely Green Transformation." However, the term "GX," which stands for Green Transformation, is a coined policy term unique to Japan.

In February 2023, the Cabinet approved the "Basic Policy for the Realization of GX." This policy incorporates the following two initiatives: (1) Advancing decarbonization efforts towards GX by ensuring a stable energy supply through thorough energy saving and transitioning to decarbonized energy sources, such as renewable energy and nuclear power, to improve energy self-sufficiency, and (2) Realizing and implementing the "Growth-Oriented Carbon Pricing Concept," which includes bold support for upfront investments using instruments such as the "GX Economic Transition Bonds, incentives for GX investment through carbon pricing, and the utilization of new financial methods."

In May 2023, to support these initiatives, the "Act on Promoting Smooth Transition to a Decarbonization Growth-Oriented Economic Structure" (GX Promotion Act) and the "Act Partially Amending the Electricity Business Act to Establish a Stable Electricity Supply System for Realizing a Decarbonized Society" (GX Decarbonization Electricity Act) were passed and enacted by the National Diet. Additionally in July 2023, the "Strategy for Promoting the Transition to a Decarbonized Growth-Oriented Economic Structure" (GX Promotion Strategy) was established and approved by the Cabinet. Following these developments, in October 2023, a carbon credit market was established in the Tokyo Stock Exchange. In November 2023, the Climate Transition Bond Framework, outlining the "GX Economic Transition Bonds," was released.

Since the "Study Group on Finance for Environmental Innovation," established within the Ministry of Economy, Trade, and Industry, released the "Concept of Climate Transition Finance" in March 2020<sup>\*13</sup>, Japan has emphasized the importance of transition finance in supporting the gradual shift to decarbonization from a financial aspect. At the G7 Hiroshima Summit in May 2023, the following sentence was incorporated into the leaders' communique: "We also highlights that transition finance, in line with keeping a limit of 1.5°C temperature rise within reach, avoiding carbon lock-ins and based on

<sup>\*11</sup> [https://www.asb.or.jp/jp/wp-content/uploads/2023\\_0803\\_ssbj.pdf](https://www.asb.or.jp/jp/wp-content/uploads/2023_0803_ssbj.pdf)

<sup>\*12</sup> <https://tnfd.global/publication/recommendations-of-the-taskforce-on-nature-related-financial-disclosures/>

<sup>\*13</sup> [https://www.meti.go.jp/shingikai/energy\\_environment/kankyo\\_innovation\\_finance/pdf/002\\_s01\\_00.pdf](https://www.meti.go.jp/shingikai/energy_environment/kankyo_innovation_finance/pdf/002_s01_00.pdf) (Japanese only)

effective emissions reduction, has a significant role in advancing the decarbonization of the economy as a whole."<sup>\*14</sup>

In the "Basic Policy on Economic and Fiscal Management and Reform 2023" (June, 2023), it was stated that "we will boldly accelerate GX investments while making the most of our country's technological strengths, thereby creating new demand and markets in the areas of stable energy supply and decarbonization, and strengthening the industrial competitiveness of the Japanese economy and boosting its economic growth. To this end, for 10 years, the government and private sectors will work together to realize more than 150 trillion yen in new investments in decarbonization." Additionally, the sentence, "In addition to expanding green finance and strengthening efforts to foster international understanding of transition finance," was also incorporated into the policy document.

However, we have to note that Japan's various policies related to GX and transition finance have yet to sufficiently be understood internationally. For example, while Japan positions hydrogen and ammonia as key solutions for GX, there are opinions from Europe and the U.S. that these do not constitute effective emission reduction measures for global decarbonization.<sup>\*15</sup> When it comes to transition finance, Japan focuses on funding for efforts to reduce emissions in hard-to-abate sectors (industries and energy transformation sectors that currently lack technological and economic alternatives for decarbonization). Europe and the U.S. often show harsh opinion about its funding saying that "These funding contributes to a transition to a net-zero emissions economy in 2050 but are not currently close to a net-zero carbon emissions level. These activities are critical to the economy, but must significantly enhance their performance beyond the industry average, without lock-in to carbon-intensive assets or processes".<sup>\*16</sup>

As a typical example, ICMA "Climate Transition Finance Handbook Guidance for Issuers June 2023" revised the Climate Transition Finance Handbook.<sup>\*17</sup> Instead of positioning Climate Transition Bonds as a fourth category alongside Green Bonds, Sustainability Bonds, and Sustainability-Linked Bonds (collectively referred to as "GSS Bonds"), they recommended that issuers in "hard-to-abate sectors" issuing GSS Bonds should disclose the following elements as outlined in the handbook: (1) the issuer's climate transition strategy and governance, (2) environmental materiality within the business model, (3) science-based climate transition strategy and targets, and

(4) transparency in implementation.

Banks also play a critical role in funding for transition finance. It is expected that they will carefully evaluate their borrowers using the same criteria required for the issuance of GSS Bonds.

## Specific Trends in Domestic Financial-Related Policies

The "JFSA Strategic Priorities July 2023 - June 2024"<sup>\*18</sup> states that "with the increasing importance of societal issues, such as climate change as well as declining birthrate and aging population, it has become indispensable to promote sustainable finance to facilitate a transition to new industrial and social structures and to realize a sustainable society."

Based on this, the following five pillars have been outlined in order to consider and implement various policies:

- (1) Recognizing that sustainability initiatives are becoming central to corporate management and that there is a growing demand from investors for sustainability information to evaluate long-term corporate value, make continuous efforts to enhance the content of corporate sustainability disclosures.
- (2) To ensure that financial institutions and investors engage in effective dialogue and provide support tailored to the specific circumstances of their investment and lending targets, hold discussions on practical issues related to the formulation and implementation of transition plans, including indicators such as financed emissions and reduction contributions, in collaboration with organizations such as the Japan branch of GFANZ, with an emphasis on active international communication.
- (3) With the indication made on practical issues related to the effective and efficient aggregation of sustainability data, make efforts to provide information in a user-friendly format, utilizing XBRL and collaborating with the Japan Exchange Group (JPX).
- (4) Regarding the "Basic Guidelines (Draft)" for Impact Investing (released in June 2023), conduct and maintain proactive and careful dialogue with stakeholders, aiming for finalization within FY2023. Additionally, to promote support for impact start-ups and regional companies, pursue the establishment of an "Impact Consortium" involving diverse participants such as investors, financial institutions, companies, and regional

<sup>\*14</sup> <https://www.mofa.go.jp/mofaj/files/100506875.pdf>

<sup>\*15</sup> <https://influencemap.org/report/GX-policy-20854>

<sup>\*16</sup> [https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance-teg-final-report-taxonomy\\_en.pdf](https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf)

<sup>\*17</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Climate-Transition-Finance-Handbook-CTFH-June-2023-220623v2.pdf>

<sup>\*18</sup> [https://www.fsa.go.jp/en/news/2023/the\\_jfssa\\_strategic\\_priorities\\_july2023-june2024.pdf](https://www.fsa.go.jp/en/news/2023/the_jfssa_strategic_priorities_july2023-june2024.pdf)

support organizations. This consortium will facilitate discussions and sharing of impact indicators, investment cases, and support methods for companies.

- (5) To develop specialists in sustainable finance, promote the spread of private certification exams and the establishment of globally recognized courses at universities and other educational institutions.

## Financial and Economic Education

The "JFSA Strategic Priorities July 2023 - June 2024" states as follows: "In order to broadly spread the importance of stable asset formation, it is important to improve people's financial literacy through the enhancement of financial and economic education. While eliminating duplication of activities by various public and private entities, the JFSA will aggregate know-how that has been accumulated respectively by those entities and develop a national system from a neutral standpoint to promote efforts for providing people with opportunities for financial and economic education."<sup>\*19</sup> Subsequently, the related bill was passed in November 2023, and the establishment of the "Japan Financial Literacy and Education Corporation" is scheduled for FY2024.

Additionally, the Expert Panel on Sustainable Finance, established within the Financial Services Agency, is discussing the significance and methods of incorporating topics such as contributions to the SDGs, consideration and integration of ESG elements, and the importance and realities of sustainable finance into financial and economic education.<sup>\*20</sup>

Amid these various movements and developments, financial and economic education in Japan is expected to advance to the next phase.

## Current Status of Initiatives by Member Banks of the Japanese Bankers Association

The 2023 "Survey on SDGs/ESGs" conducted by the Japanese Bankers Association asked its member banks about initiatives they endorse, such as the environment, human rights, and diversity (surveyed as of the end of July 2023, 114 banks responded).

Their responses (multiple responses allowed) indicated that the number of banks endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) increased significantly from 24 in FY2020 to 51 in FY2021, 97 in FY2022, and 105 in FY2023. Additionally, the number of banks supporting the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) has doubled from 6 banks in FY2022 to 12 banks in FY2023. The number of banks that responded "Yes" to the question related to the "Presence of investment and lending policies (including sector policies) that consider SDGs/ESG" has reached 95, up from 91 in FY2022. These policies increasingly focus on addressing negative impacts especially on human rights. In addition, 70 banks responded "Yes" to the question related to the "Presence of lending and investment policy for local communities (e.g., initiatives related to regional revitalization, community-based finance, etc.)."

The survey suggests that member banks of the Japanese Bankers Association have made certain progress in FY2023 in their initiatives and actions with an awareness of SDGs/ESG.

<sup>\*19</sup> [https://www.fsa.go.jp/en/news/2023/the\\_jfsa\\_strategic\\_priorities\\_july2023-june2024.pdf](https://www.fsa.go.jp/en/news/2023/the_jfsa_strategic_priorities_july2023-june2024.pdf)

<sup>\*20</sup> [https://www.fsa.go.jp/singi/sustainable\\_finance/gijiroku/20230622.html](https://www.fsa.go.jp/singi/sustainable_finance/gijiroku/20230622.html) (Japanese only)

## List of the JBA's SDG-related Publications Released in FY2023

### 1. Further Promoting the SDGs/ESG initiatives Implemented by Member Banks (Japanese only)

Publication of JBA SDGs REPORT 2022-2023 (final version)	<a href="https://www.zenginkyo.or.jp/news/2023/n061501/">https://www.zenginkyo.or.jp/news/2023/n061501/</a> (Japanese only)
Review of Key Initiatives regarding SDGs by the Japanese Bankers Association, and publication of JBA SDGs REPORT 2023-2024 (preliminary version)	<a href="https://www.zenginkyo.or.jp/news/2024/n031502/">https://www.zenginkyo.or.jp/news/2024/n031502/</a> (Japanese only)

### 2. Fulfilling the Role Expected of the Banking Industry in Achieving a Sustainable Society, Starting with a "Just Transition" to Carbon Neutrality/ Net Zero Emissions by 2050

JBA comments on the Discussion Paper "Finance for positive sustainable change: governance, incentives and competence in regulated firms" by the Financial Conduct Authority (FCA)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230428.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230428.pdf</a>
JBA comments on the draft delegated regulation for the EU Taxonomy by the European Commission (EC)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230438.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230438.pdf</a>
JBA comments on the TNFD Nature-related Risk & Opportunity Management and Disclosure Framework Beta v0.4	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230601.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230601.pdf</a>
JBA comments on the draft delegated regulation for the EU Taxonomy by the European Commission (EC)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230707.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230707.pdf</a>
JBA comments on the ISSB Exposure Draft: "Methodology for Enhancing the International Applicability of the SASB® Standards and SASB Standards Taxonomy Updates"	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230809.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230809.pdf</a>
JBA comments on the ISSB Request for Information: "Consultation on Agenda Priorities"	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230901.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news230901.pdf</a>
JBA comments on the Consultative Document "Defining Transition Finance and Considerations for Decarbonization Contribution Methodologies" by the Glasgow Financial Alliance for Net Zero (GFANZ)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231102.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231102.pdf</a>
JBA comments on the Consultation Paper on Guidelines on Transition Planning (Banks) by the Monetary Authority of Singapore (MAS)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231218.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231218.pdf</a>
JBA comments on Banks Sector Guidance by the Transition Plan Taskforce (TPT)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231227.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news231227.pdf</a>
Signing of annex agreement to the MOU with the Korea Federation of Banks for Promotion of Green and Digital Transformation	<a href="https://www.zenginkyo.or.jp/news/2023/n100302/">https://www.zenginkyo.or.jp/news/2023/n100302/</a> (Japanese only)
Joint seminar held by the JBA with the Korea Federation of Banks	<a href="https://www.zenginkyo.or.jp/news/2023/n100501/">https://www.zenginkyo.or.jp/news/2023/n100501/</a> (Japanese only)
JBA comments on the "Transition Finance Follow-up Guidance ~Guidance for an effective dialogue with fundraisers~ (Draft)"	<a href="https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion350525.pdf">https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion350525.pdf</a> (Japanese only)
JBA comments on the "Basic Guidelines on Impact Investment (Draft)"	<a href="https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion351036.pdf">https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion351036.pdf</a> (Japanese only)

# JBA's 2023 SDG-related Publications

JBA comments on the Green Bond Guidelines and Green Loan Guidelines Annex 1 (Green List)	<a href="https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion351237.pdf">https://www.zenginkyo.or.jp/fileadmin/res/abstract/opinion/opinion351237.pdf</a> (Japanese only)
Updated "JBA eco map"	<a href="https://www.zenginkyo.or.jp/news/2023/n092901/">https://www.zenginkyo.or.jp/news/2023/n092901/</a> (Japanese only)
Release of "CO <sub>2</sub> Visualization and Beyond"	<a href="https://www.zenginkyo.or.jp/news/2024/n022901/">https://www.zenginkyo.or.jp/news/2024/n022901/</a> (Japanese only)
JBA announces "Carbon Neutrality Initiative 2024"	<a href="https://www.zenginkyo.or.jp/en/news/2024/031501/">https://www.zenginkyo.or.jp/en/news/2024/031501/</a>
JBA comments on the BCBS Consultative Document: "Disclosure of climate-related financial risks"	<a href="https://www.zenginkyo.or.jp/fileadmin/res/en/news/news240314.pdf">https://www.zenginkyo.or.jp/fileadmin/res/en/news/news240314.pdf</a>
<b>3. Implementing Activities for Regional Economic Revitalization and Regional Revitalization (Japanese only)</b>	
Regional revitalization initiatives (questionnaires)	<a href="https://www.zenginkyo.or.jp/abstract/efforts/contribution/sousei">https://www.zenginkyo.or.jp/abstract/efforts/contribution/sousei</a> (Japanese only)
<b>4. Improving the Financial Literacy of Japanese Nationals by Promoting Financial Literacy Education Activities (Japanese only)</b>	
[Attack on Titan x JBA] Launch of the Special Asset Formation Website - Open the Way to Your Future: Investigate Asset Formation! ~	<a href="https://www.zenginkyo.or.jp/news/2023/n102701/">https://www.zenginkyo.or.jp/news/2023/n102701/</a> (Japanese only)
Commissioning of Aichi Inuyama High School as a "Designated School for Financial Literacy Education Research" for FY2023	<a href="https://www.zenginkyo.or.jp/news/2023/n052401/">https://www.zenginkyo.or.jp/news/2023/n052401/</a> (Japanese only)
Commissioning of Tochigi Prefectural Oyama Jonan High School to conduct "Educational Activities to Prevent Special Types of Fraud" in FY2023	<a href="https://www.zenginkyo.or.jp/news/2023/n052402/">https://www.zenginkyo.or.jp/news/2023/n052402/</a> (Japanese only)
Archived Video Release of the "Workplace Asset Formation Seminar - Enhancing Financial Wellness for Employees" hosted by JBA and JSDA	<a href="https://www.zenginkyo.or.jp/news/2023/n100301/">https://www.zenginkyo.or.jp/news/2023/n100301/</a> (Japanese only)
Meeting for Founders Held for the Establishment of the Financial and Economic Education Promotion Organization	<a href="https://www.zenginkyo.or.jp/news/2024/n020501/">https://www.zenginkyo.or.jp/news/2024/n020501/</a> (Japanese only)
Approval for the Establishment of the Financial and Economic Education Promotion Organization	<a href="https://www.zenginkyo.or.jp/news/2024/n030101/">https://www.zenginkyo.or.jp/news/2024/n030101/</a> (Japanese only)
New Features Implemented in "Maneran" Investment Learning App	<a href="https://www.zenginkyo.or.jp/news/2024/n031503/">https://www.zenginkyo.or.jp/news/2024/n031503/</a> (Japanese only)
<b>5. Promoting Wider Access to Finance and Financial Services for the Elderly and Other Users</b>	
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<b>6. Promoting Digitization and Providing Safe, Secure, and Highly-Convenient Financial Services (Japanese only)</b>	
Agreement on Compensation for Customers Affected by the Zengin System Outage	<a href="https://www.zenginkyo.or.jp/news/2023/n101801/">https://www.zenginkyo.or.jp/news/2023/n101801/</a> (Japanese only)
Establishment of the Financial EDI Information Standard "DI-ZEDI" Compatible with Digital Invoice Standard Specifications	<a href="https://www.zengin-net.jp/announcement/pdf/announcement_20230424_DI_ZEDI.pdf">https://www.zengin-net.jp/announcement/pdf/announcement_20230424_DI_ZEDI.pdf</a> (Japanese only)

Summary of discussions (Zengin-Net Experts Meeting, Task Force for the Next-Generation Payment Systems, ZEDI Utilization and Promotion Working Group), and Zengin-Net Research Report	<a href="https://www.zengin-net.jp/zengin_net/epm_tf/">https://www.zengin-net.jp/zengin_net/epm_tf/</a> (Japanese only)
Establishment of the "Task Force for the Next-Generation Payment Systems" and related working groups in FY2023	<a href="https://www.zengin-net.jp/announcement/pdf/announcement_20230413.pdf">https://www.zengin-net.jp/announcement/pdf/announcement_20230413.pdf</a> (Japanese only)
Setting and implementing a Month for Strengthening Digital Settlement and Accounting Operations	<a href="https://www.zenginkyo.or.jp/news/2023/n102001/">https://www.zenginkyo.or.jp/news/2023/n102001/</a> (Japanese only)
Revision of "Voluntary Action Plan for the Full Digitization of Bills and Checks"	<a href="https://www.zenginkyo.or.jp/news/2023/n111501/">https://www.zenginkyo.or.jp/news/2023/n111501/</a> (Japanese only)
Densai Seminars (online seminars, Seminars Regarding the Full Digitization of Bills and Checks)	<a href="https://www.densai.net/support/seminar/">https://www.densai.net/support/seminar/</a> (Japanese only)
Implementation of the "Month for Promotion of densai" (November 2023)	<a href="https://www.densai.net/info/20231020-8886/">https://www.densai.net/info/20231020-8886/</a> (Japanese only)
Request for promotion of electronic payment of taxes and public dues	<a href="https://www.zenginkyo.or.jp/news/opinion/2023/103101/">https://www.zenginkyo.or.jp/news/opinion/2023/103101/</a> (Japanese only)
Launch of Special Page for the New "densai light" Service	<a href="https://www.densai.net/info/20240319-9033/">https://www.densai.net/info/20240319-9033/</a> (Japanese only)
<b>7. Implementing Measures to Prevent Financial Crimes and Money Laundering, and Actions to Meet FATF Recommendations (Japanese only)</b>	
Establishment of the "Enhanced Campaign for the Eradication of Remittance Fraud and Similar Scams"	<a href="https://www.zenginkyo.or.jp/news/2023/n111601/">https://www.zenginkyo.or.jp/news/2023/n111601/</a> (Japanese only)
Introduction of Anti-Money Laundering and Counter-Terrorist Financing Measures Taken by Banks at "Sekai Keizai" TV Tokyo BIZ Economic Program	<a href="https://www.zenginkyo.or.jp/news/2023/n101702/">https://www.zenginkyo.or.jp/news/2023/n101702/</a> (Japanese only)
Publication of a Sponsored Article on Anti-Money Laundering and Counter-Terrorist Financing Measures in "AERA" Magazine	<a href="https://www.zenginkyo.or.jp/news/2023/n112001/">https://www.zenginkyo.or.jp/news/2023/n112001/</a> (Japanese only)
Publication of a Sponsored Article on Anti-Money Laundering and Counter-Terrorist Financing Measures in "Thank you!" Magazine	<a href="https://www.zenginkyo.or.jp/news/2023/n112701/">https://www.zenginkyo.or.jp/news/2023/n112701/</a> (Japanese only)
Introduction of Anti-Money Laundering and Counter-Terrorist Financing Measures Taken by Banks at "Tereto Keizai News Academy" TV Tokyo BIZ Economic Program	<a href="https://www.zenginkyo.or.jp/news/2023/n122701/">https://www.zenginkyo.or.jp/news/2023/n122701/</a> (Japanese only)
<b>8. Expanding Initiatives in Light of Trends Regarding Human Rights and Diversity (Japanese only)</b>	
Efforts to protect human rights (human rights maxims contest, seminars on human rights and the issues of discrimination against social minorities based on descent)	<a href="https://www.zenginkyo.or.jp/abstract/efforts/contribution/human-rights/#">https://www.zenginkyo.or.jp/abstract/efforts/contribution/human-rights/#</a> (Japanese only)





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