

# JBIC ESG Policy

(Provisional Translation)



October 2021

# Message from the Governor



We have formulated our ESG Policy to demonstrate our firm commitment to sustainability. As part of this policy, as climate change is one of the most urgent challenges facing the world's economies, we have decided to release our climate change policy.

We are committed to pursuing ambitious and accelerated efforts to reduce our operational emissions to net zero by 2030, and to achieve net zero emissions in our finance portfolio by 2050, toward the global implementation of the Paris Agreement. We will also contribute in realizing global carbon neutrality by supporting and accelerating the energy transition towards a decarbonized society of emerging and developing countries through engagement leveraging our long-standing relationships with the relevant national governments and authorities.

In line with our corporate philosophy of “positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy,” JBIC will act as a navigator in an era of transformation and, through engagement with the relevant stakeholders, further strengthen its sustainability initiatives to proactively contribute to fostering global sustainable development and resolving global challenges.

A handwritten signature in black ink, appearing to read 'Maeda Tadashi', written in a cursive style.

MAEDA Tadashi

Governor  
Japan Bank for International Cooperation

# Policies towards the realization of sustainability

>The world's economies are facing the shared challenge of dealing with climate change whilst pursuing sustainable growth and development, and all the while seeking to achieve a balance between the economy, society, and the environment.

>With a view to fulfilling JBIC's role as "a navigator to build a brighter future with Japanese power" (as stated in JBIC's Fourth Medium-term Business Plan), JBIC will proactively contribute to fostering global sustainable development and resolving global challenges, to ensure the realization of sustainable societies.



## Respond to energy transformation toward the realization of a decarbonized society by financing projects

### Green finance

Support efforts to reduce greenhouse gases and popularize green innovation

### Transition finance

Provide support for initiatives toward global energy transition while working to engage host countries

- Environmentally conscious financings and investments under Environmental and Social Guidelines\*
- Green Bonds Issuance

\*JBIC Guidelines for Confirmation of Environmental and Social Considerations



## Support projects that contribute toward resolving social issues

### Social Impact finance

Provide support for projects that assist resolving social issues to realize sustainable growth

- Socially conscious financings and investments under Environmental and Social Guidelines
- Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees

Foster an organizational culture that harnesses the diversity of employees as a source of vitality

Support autonomous career development and capacity development

Improve the working environment to enable employees to continue working with vitality

Disclosures  
(e.g. the TCFD  
recommendations)

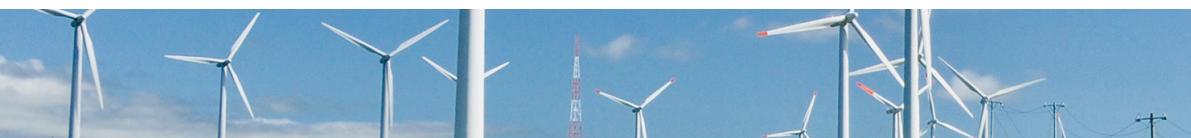
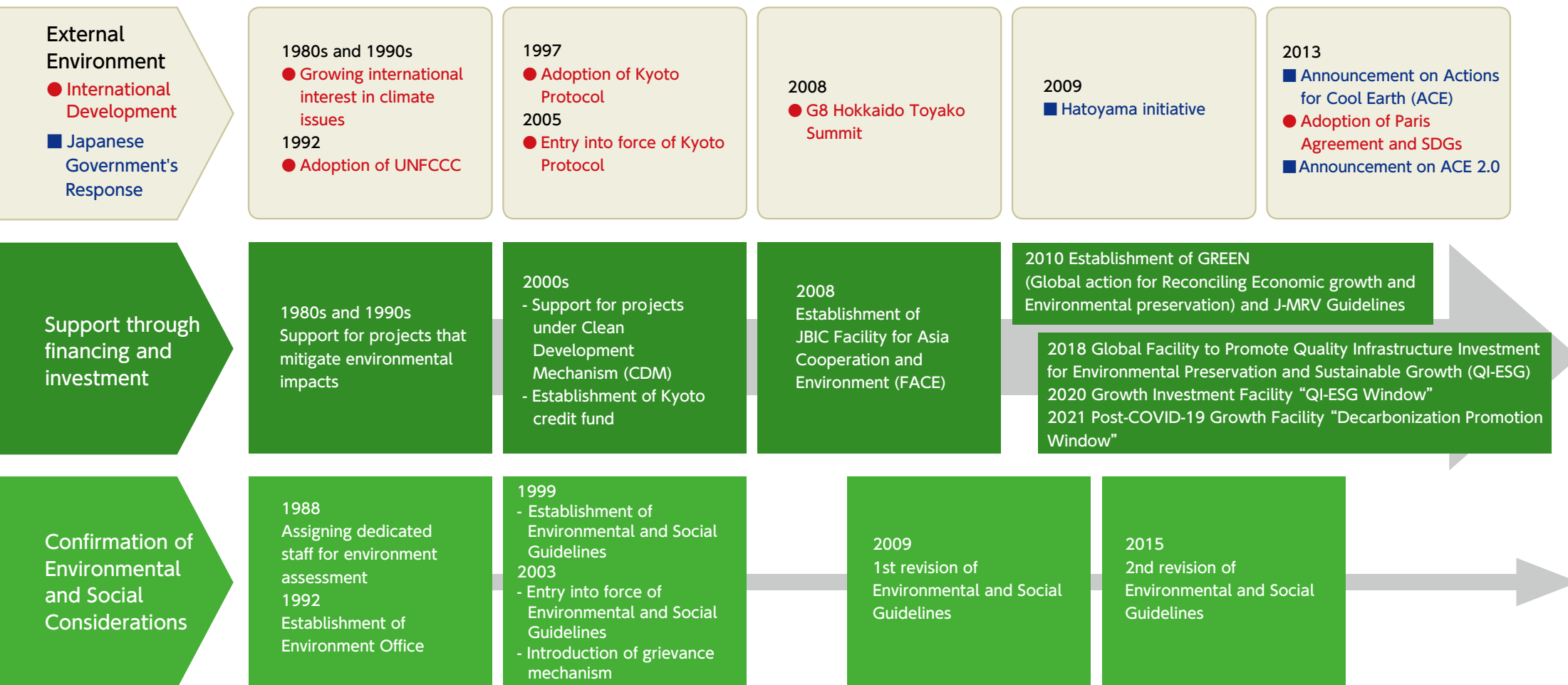
Stakeholders



- Strengthen its sustainability governance and management systems
- Strengthen the effectiveness of the compliance system
- Participation in International Initiatives

# Climate Change Policy —JBIC's Journey so far—

- > In recognition of the importance of global efforts to address environmental issues, and in alignment with Japanese government policy, JBIC has been working since the 1990s to create a new finance menu and develop a governance and management systems.
- > JBIC will continue to be proactive in providing financial support for efforts to tackle climate change, based on Japanese government policy.





# Climate Change Policy —The environment surrounding climate change—

JBIC sets out its plans to address climate change, in advance of the United Nations Climate Change Conference (COP26) starting on October 31, 2021.

## Paris Agreement

Following the adoption of the Paris Agreement in December 2015, the global effort to address climate change has accelerated.

## G7 Cornwall Summit

As a result of the G7 Cornwall Summit in June 2021, the G7 leaders confirmed their commitments to efforts to achieve a net zero goal by 2050 at the latest.

## Japanese Government

In October 2020, the Japanese government made a declaration to aim for carbon neutrality by 2050 (i.e. to achieve net zero greenhouse gas emissions).

## JBIC Climate Change Policy

Contributing to the global implementation of the Paris Agreement

- > Strengthening climate change -related finance
- > Enhanced climate-related financial disclosures pursuant to the TCFD recommendation
- > Environmentally and socially conscious financings and investments

# Climate Change Policy

## Contributing to the global implementation of the Paris Agreement

JBIC is committed to pursuing ambitious and accelerated efforts to reduce its operational emissions to net zero by 2030, and to achieve net zero emissions in its finance portfolio by 2050.

### Strengthening climate change-related finance

Through harnessing our risk-assuming function as a policy-based financial institution as well as its negotiation leverage, JBIC will thereby take the lead in global decarbonization through following actions and provision of finance.

1. Promote green innovation
2. Accelerate the energy transition of emerging and developing countries
3. Disseminate climate change related information
4. Issue green bonds

In addition to ending the provision of financing for unabated international thermal coal power generation as agreed at the G7 Summit, JBIC will also back efforts leading to the transition to clean energy generation.

### Enhanced climate-related financial disclosures pursuant to the TCFD recommendation

JBIC announced in October 2019 of its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) that was established by the Financial Stability Board (FSB). JBIC also engages in the TCFD Consortium, which was set up as a forum for institutions who support the TCFD recommendations to exchange ideas.

JBIC will proceed in disclosing relevant information based on the TCFD framework.

### Environmentally and socially conscious financings and investments

JBIC has ensured that the financing of its relevant projects have been subject to the environmental and social impact considerations required under JBIC Guidelines for Confirmation of Environmental and Social Considerations (Environmental and Social Guidelines).

JBIC will be at the forefront of such environmental and social considerations by reviewing, as appropriate, the guidelines

## Strengthening sustainability governance and management systems

# Appendix 1: JBIC ESG Policy (Provisional Translation)

## 1. Policies towards the realization of sustainability

- The world's economies are facing the shared challenge of dealing with climate change whilst pursuing sustainable growth and development, and all the while seeking to achieve a balance between the economy, society, and the environment. In light of these challenges, JBIC's Fourth Medium-term Business Plan (announced in June 2021), identified the addressing of "global issues toward realizing sustainable development for the global economy and society" as its first key focus area. Accordingly, JBIC is actively working to support this global agenda through the provision of green finance, transition finance and social impact finance. In addition, as an organization, under the Fourth Medium-term Business Plan and the Second Plan for Work Style Reform, JBIC will strive to foster a culture that harnesses the diversity of its employees, support individual career development and knowledge development, and continue to improve the working environment for its employees.
- JBIC will continue to review its organizational structure, systems and processes with a view to strengthening its sustainability governance and management systems, so that JBIC can actively support Japanese companies and the global economic community in their efforts to achieve decarbonization and SDG goals, and as appropriate, disclose the results of the provision of such support to its stakeholders.
- With a view to fulfilling JBIC's role as "a navigator to build a brighter future with Japanese power" (as stated in JBIC's Fourth Medium-term Business Plan), JBIC will, through its risk-assuming function as a policy-based financial institution and long-standing relationships with its stakeholders and overseas networks, proactively contribute to fostering global sustainable development and resolving global challenges, to ensure the realization of sustainable societies.

## 2. Climate Change Policy

- Climate change is one of the most urgent challenges facing the world's economies. Following the adoption of the Paris Agreement in December 2015, the global effort to address climate change has accelerated. In October 2020, the Japanese government made a declaration to aim for carbon neutrality by 2050 (i.e. to achieve net zero greenhouse gas emissions). In order to achieve the objectives of the Paris Agreement, global collective action is urgently required through not only efforts led by developed countries, but also through coordinated action taken by developing and emerging countries to ensure the energy transition towards a decarbonized society.
- In recognition of the urgency to accelerate global concerted efforts to combat climate change, and in alignment with Japanese government policy, JBIC sets out its plans to address climate change in paragraphs (1) to (4) below, in advance of the United Nations Climate Change Conference (COP26) starting on October 31, 2021. As Japan's policy-based financial institution, JBIC will continue to be proactive in providing financial support for efforts to tackle climate change, based on Japanese government policy.

# Appendix 1: JBIC ESG Policy (Provisional Translation)

## **(1) Contributing to the global implementation of the Paris Agreement**

- In order to align with the international goals to achieve the objectives of the Paris Agreement, JBIC is committed to pursuing ambitious and accelerated efforts to reduce its operational emissions to net zero by 2030, and to achieve net zero emissions in its finance portfolio by 2050. Moreover, through continued engagement with the relevant national governments and authorities, JBIC will contribute in realizing global carbon neutrality by supporting and accelerating the energy transition towards a decarbonized society of emerging and developing countries.

## **(2) Strengthening climate change-related finance**

- Achieving the objectives of the Paris Agreement will require substantial investment. As such, the flow of funds, including through the mobilization of private finance, needs to be redirected and applied to pathways towards decarbonization. JBIC will harness its risk-assuming function as a policy-based financial institution as well as its negotiation leverage, to promote green innovation and accelerate the energy transition of emerging and developing countries through engagement with the relevant national governments and authorities, and through multinational coordination. JBIC will thereby take the lead in global decarbonization through such actions and the provision of finance, in addition to disseminating climate change related information, and issuing green bonds, among other things.
- In addition to ending the provision of financing for unabated international thermal coal power generation as agreed at the G7 Summit in June 2021, JBIC will also back efforts leading to the transition to clean energy generation by harnessing new technologies.

## **(3) Enhanced climate-related financial disclosures pursuant to the TCFD recommendations**

- In recognition of the importance of reporting on climate-related financial information, JBIC announced in October 2019 of its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) that was established by the Financial Stability Board (FSB). JBIC also engages in the TCFD Consortium, which was set up as a forum for institutions who support the TCFD recommendations to exchanges ideas. JBIC will proceed in disclosing relevant information based on the TCFD framework.

## **(4) Environmentally and socially conscious financings and investments**

- Since the formulation and publication of the JBIC Guidelines for Confirmation of Environmental and Social Considerations in 1999, JBIC has ensured that the financing of its relevant projects have been subject to the environmental and social impact considerations required under such guidelines. JBIC will be at the forefront of such environmental and social considerations by reviewing, as appropriate, the guidelines and taking into consideration, among other things, the international frameworks that are in place with respect to environmental and social considerations, the discussions taking place at the Organization for Economic Co-operation and Development (OECD) regarding the Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, and a wide public consultation process.



# Appendix 2: Brief Profile

JBIC's mission is to contribute to the sound development of Japan and international economy and society by conducting financial operation in the following four fields:

- Promoting the overseas development and securement of resources which are important for Japan
- Maintaining and improving the international competitiveness of Japanese industries
- Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming
- Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption

## Organization Profile

Name	Japan Bank for International Cooperation (JBIC)
Office	4-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Establishment Date	April 1, 2012
Governor	MAEDA Tadashi
Support Menu	Export Loans, Import Loans, Overseas Investment Loans, Untied Loans, Equity Participations, Guarantees, and Research and Studies.
Corporate Philosophy	<p><b>Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.</b></p> <p><b>Hands-on Policy:</b> Pioneering new value by participating at the forefront of overseas project development, and by engaging proactively in projects from the early stages</p> <p><b>Customer-1st Approach:</b> Offering customers one - of - a - kind solutions by adopting their perspectives and integrating their views into policy development</p> <p><b>Forward-looking Action:</b> Contributing to the sustainable development of Japan and the world as a whole by deploying highly professional skills, with a view to realizing a secure and affluent future society</p>

## Participation in International Initiatives



## Corporate Slogan

日本の力を、世界のために。  
Supporting Your Global Challenges

