

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.

(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.

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