
FY2020 TCFD Consortium Member Survey Result

July 31, 2020

The TCFD Consortium



List of Questions

*This report extracts and presents some of the results of the survey research to member companies; extracted results are highlighted in red. The entire survey result, as well as the result of the previous survey, is available on the members' website.

Question	Financial institutions	Non-financial institutions
Q1 (Common)	(For institutions that have become members since June 2019 and did not respond to the questionnaire last year) What motivated your institution to join the TCFD Consortium? (You may choose up to three choices) (Note that choices are subtly different between non-financial and financial institutions)	
Q2 -1 (Common)	How much information about the status of your institution's TCFD initiative is disclosed in the reports published externally such as annual reports, integrated reports, environmental reports, websites, etc? (choose one)	
Q2 -2 (Common)	(For institutions which choose a. or b. in question 2.1) What media does your institution utilize for disclosing information based on TCFD recommendations? (multiple choice)	
Q2 -3 (Common)	(For institutions which choose c. or d. in question 2.1) Please choose the most likely option which indicates your institution's expected time for TCFD disclosure.	
Q2-4 for financial institutions	Some financial institutions have started analyzing GHG emissions of their portfolio in terms of conformity of the 2-degree target in the Paris Agreement; please select one which best represents your institution's status.	
Q3 (Common)	What are the benefits of supporting TCFD or disclosing information based on TCFD recommendations? Please choose options which indicates the merits your institutions experienced. (multiple choice)	
Q4	The TCFD Consortium published "the Guidance for Utilizing Climate-related Information to Promote Green Investment (Green Investment Guidance)" in October 2019. Please choose options which represents your institution's current status of utilization of the Green Investment Guidance. (multiple choice)	Please share how often your institution discusses information on climate change with financial institutions including investors (engagement: choose one)
Q5	What media does your institution use to obtain information disclosed by the companies receiving investments and loans? (multiple choice)	(For institutions which choose options other than a. in question 4). In your institution's dialogues with financial institutions (engagement), what specific information did financial institutions place importance on, and what questions from financial institutions have your institutions received. (multiple choice)
Q6	Please choose options which represents to your institution's status of utilizing disclosed information based on TCFD of client companies. (multiple choice)	If your institution has any questions or requests regarding your engagement with financial institutions, please describe it here.
Q7-1 for financial institutions	Regarding engagement on climate change with your clients your institution is conducting, please indicate what points your institution pays attention to when assessing disclosed information on climate change. (multiple choice)	
Q7-2 for financial institutions	What does your institution see as issues and challenges in conducting engagements with your clients on climate change? (multiple choice)	
Q8 for financial institutions; Q7 for non-financial institutions	Some countries are considering incorporating TCFD disclosure into listing rules or laws. What type of TCFD disclosure do your institution think is desirable? Please describe your institution's views on this.	Some countries are considering incorporating TCFD disclosure into listing rules and laws. Please describe your institution's views on this.
Q9 for financial institutions; Q8 for non-financial institutions	At the TCFD Summit held in October last year, many member companies expressed their needs for having opportunities to study concrete examples and other companies' initiatives on TCFD disclosure as a next topic discussed at the TCFD Consortium. Please choose options which represents your institution's interest as topics which should be discussed at the Consortium. (Multiple choices allowed)	
Q10 for financial institutions; Q9 for non-financial institutions	Please indicate what type of activities your institution would be involved at the TCFD Consortium. Please describe any activities your institution thinks the TCFD Consortium should undertake.	

Summary of Survey Results

- Compared with the previous survey, conducted in June 2019, **the number of institutions disclosing information based** on TCFD has increased for both non-financial and financial institutions (# of institutions which chose a., “all items were disclosed”: 20 institutions → 50 institutions). It can be assumed from this fact that **the content of disclosed information based on TCFD has been improving** (See page 4).
- The survey result shows that **the ratio of financial institutions and non-financial institutions which have already disclosed information based on TCFD and will disclose such information in this fiscal year will have reached around 80%** (See page 7).
- Also, the survey result shows that **80% of respondents** indicated that they **felt the benefits of participating in TCFD initiative and disclosing such information** like enabling to share their climate change risks internally (See page 8).
- The survey result indicates that **over 90% of respondents** from non-financial institutions find that **climate change risks have been getting more mentioned in dialogues** with financial institutions (engagement). It also shows that **the frequency of engagement has increased**, with the ratio of choosing “having such dialogues at least five times a year” doubling from the previous survey (See page 11).

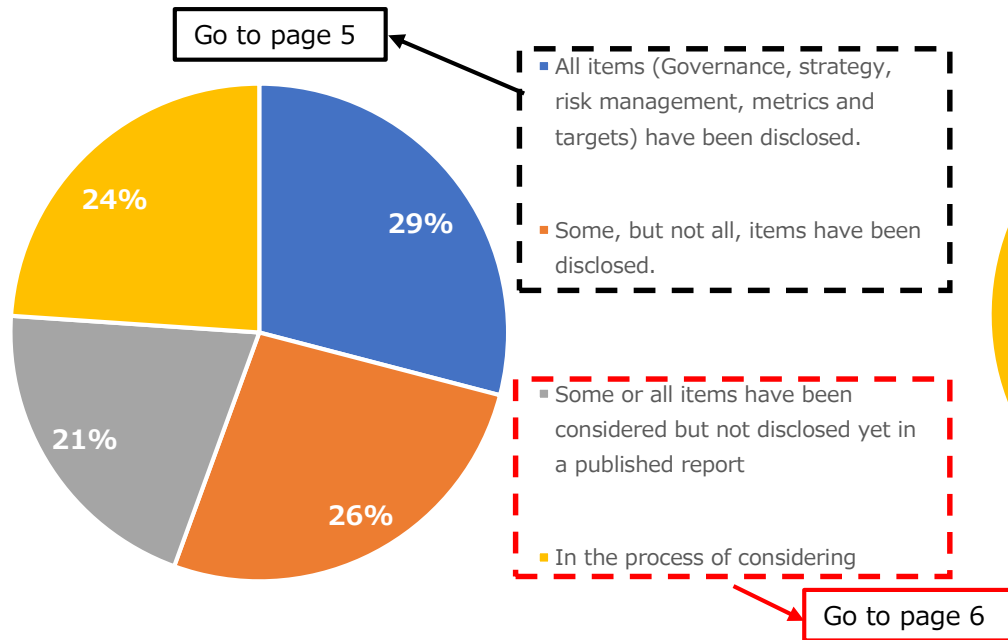
Response to the survey (As of May 29, 2020)

	Total	Non-financial institution	Financial institution
No. of member institutions	256 institutions	189 institutions	67 institutions
No. of respondents to the survey	176 institutions	124 institutions	52 institutions
Response rate	68.8%	65.6%	77.6%

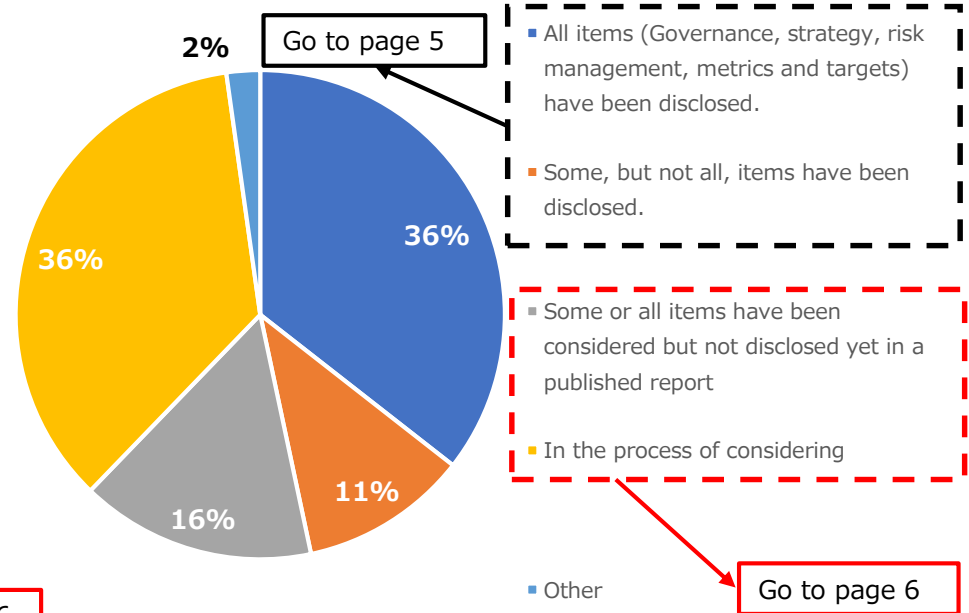
Degree of information disclosure compatible with TCFD (Questions 2-1)

- How much information about the status of your institution's TCFD initiative is disclosed in the reports published externally such as annual reports, integrated reports, environmental reports, websites, etc? (choose one)

Non-financial institutions
(No. of Responses: 117 institutions)



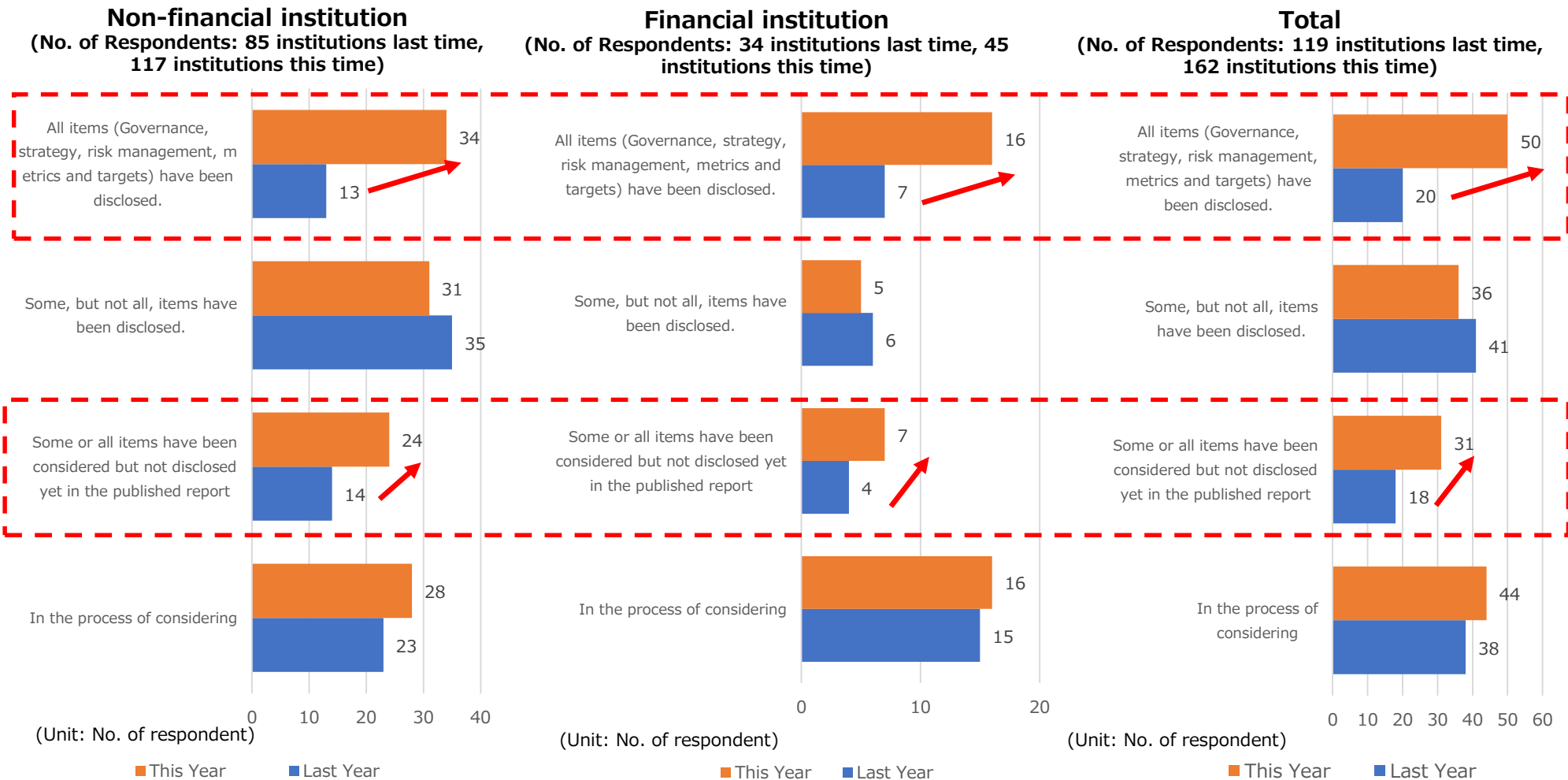
Financial institutions
(No. of Responses: 45 institutions)



Note: Industry associations are excluded from counting in "Other" for both non-financial institutions and financial institutions.

- "All items have been disclosed"** was the most common response for both non-financial institutions and financial institutions, regarding the current status of information disclosure based on TCFD recommendations.
- The percentages of respondents selecting "all items disclosed" and "some, but not all, items disclosed" together reached around 50 %:** over 50% (55%) for non-financial institutions and over 40% (47%) for financial institutions, respectively.

Comparison of responses to the previous survey (Question 2-1)

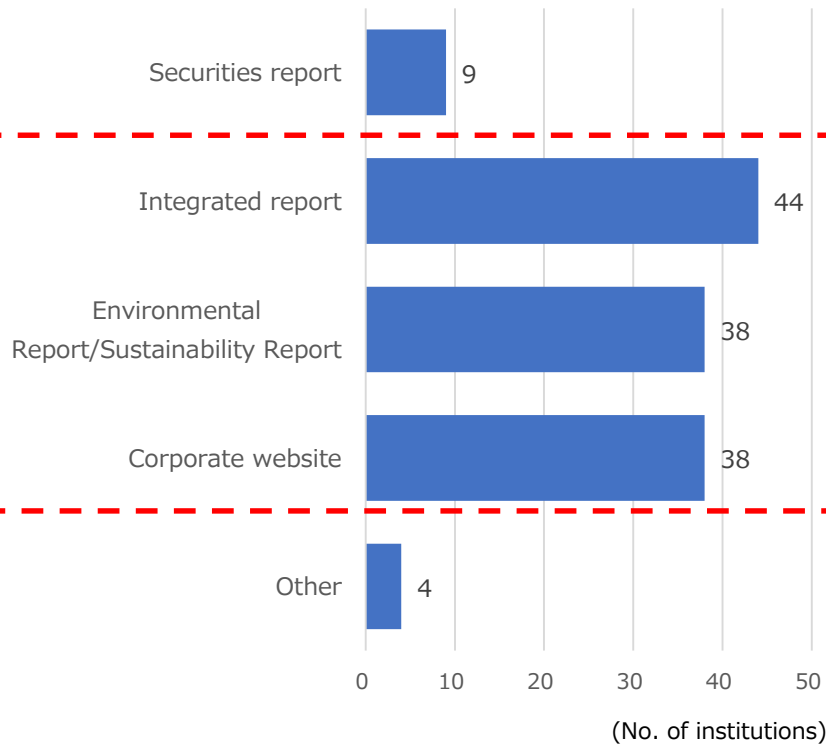


- The survey result shows that overall, **the number of responding institutions that have disclosed all items (governance, strategy, risk management, metrics and targets) increased** from the previous survey. This indicates that **the content of information disclosure based on TCFD has been improved**.
- In addition, the survey shows that the number of responding organizations that have not disclosed information yet but have started to consider it has increased.

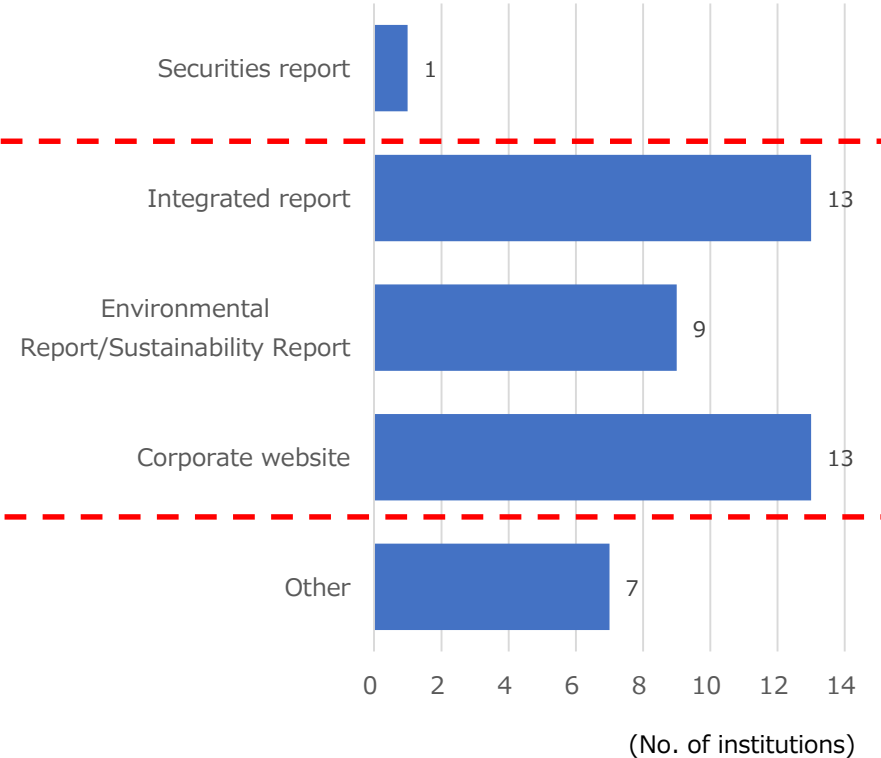
Media for implementing disclosure based on TCFD recommendations (Question 2-2)

- (For institutions which choose a. or b. in question 2-1) What media does your institution utilize for disclosing information based on TCFD recommendations? (multiple choice)

Non-financial institutions
(No. of Responses: 64 institutions)



Financial institutions
(No. of Responses: 22 institutions)

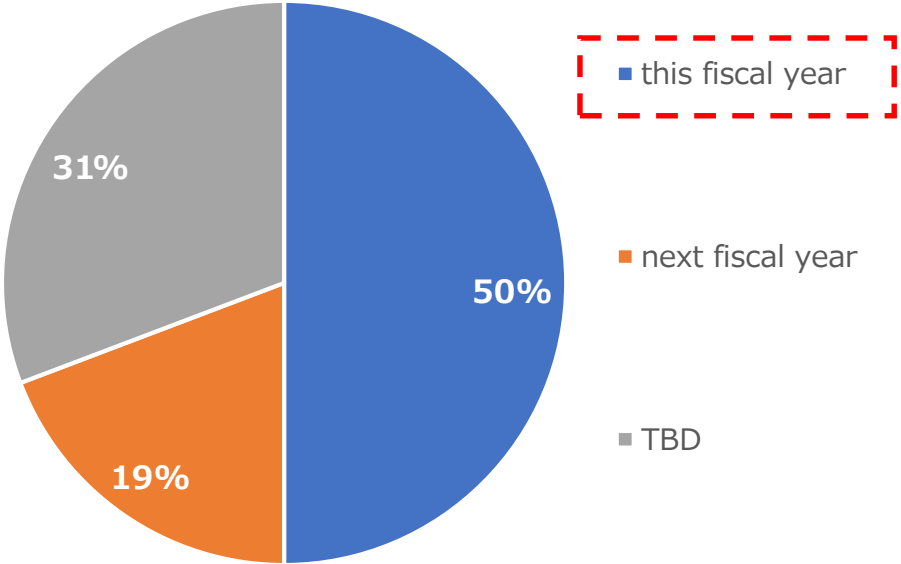


- The survey result shows that both non-financial and financial institutions conduct TCFD disclosures primarily by using **“Integrated report,” “Environmental Report / Sustainability Report,” and “Corporate website.”**
- “Other” includes disclosure media such as TCFD reports and stewardship reports, etc.

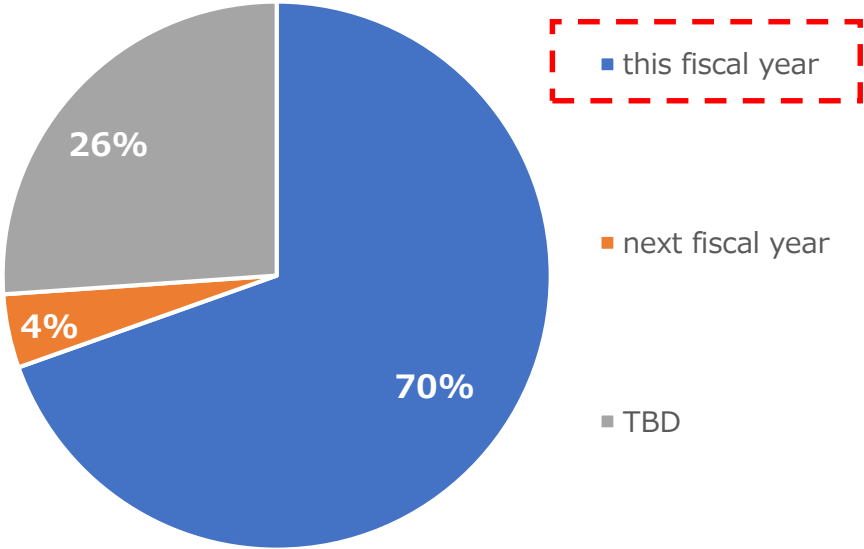
TCFD Information Disclosure Schedule (Questions 2-3)

- (For institutions which choose c. or d. in question 2-1) Please choose the most likely option which indicates your institution's expected time for TCFD disclosure.

Non-financial institutions
(No. of Responses: 52 institutions)



Financial institutions
(No. of Responses: 23 institutions)

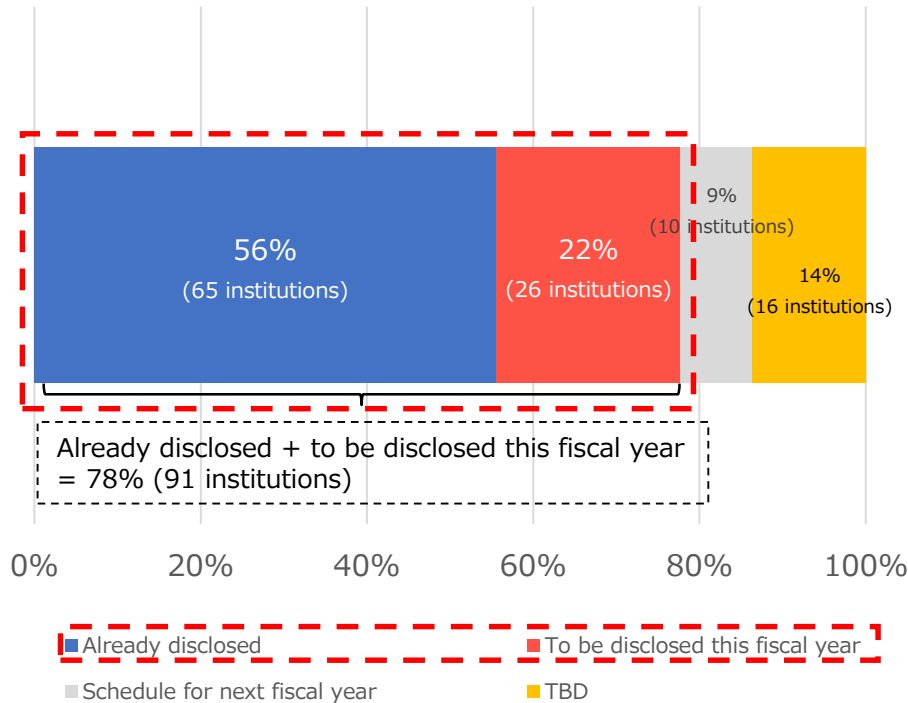


Note: Industry associations are excluded from counting in "Other" for both non-financial institutions and financial institutions.

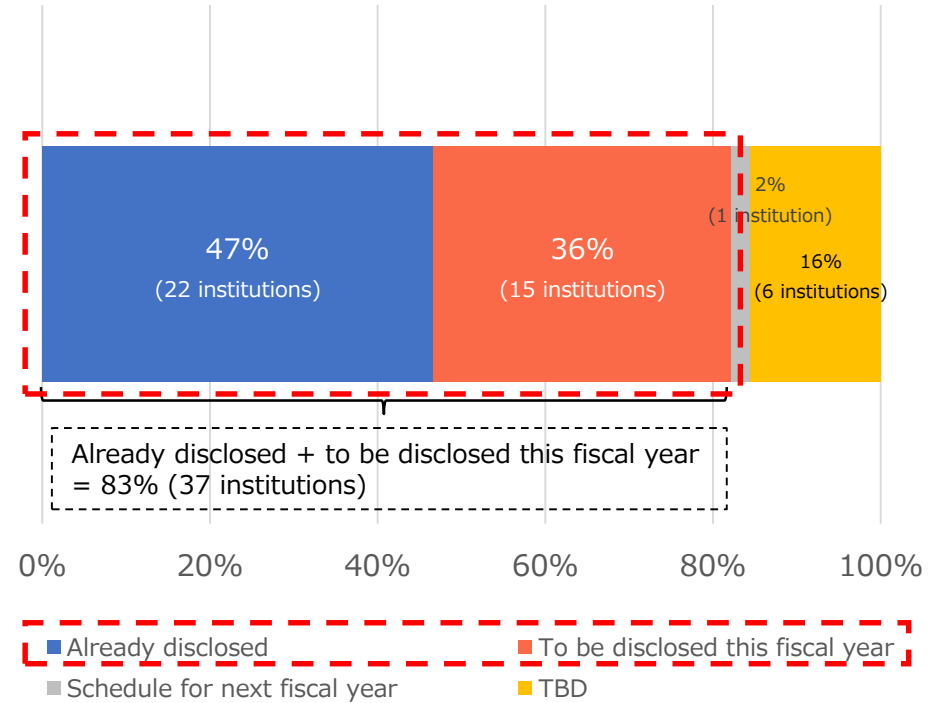
- As for expected timeline for publishing TCFD disclosure by institutions which have not disclosed it yet, **only half of non-financial institutions plan to disclose in "this fiscal year" while 70% of financial institutions plan to disclose in "this fiscal year."**

Institutions implementing TCFD-based disclosure during this fiscal year

Non-financial institutions
(No. of Responses: 117 institutions)



Financial institutions
(No. of Responses: 45 institutions)



Note: Industry associations are excluded from counting in "Other" for both non-financial institutions and financial institutions.

- The survey result shows that the percentage of institutions that have already **disclosed all four items (governance, strategy, risk management, metrics and targets) or "some, but not all items"** in question 2-1, and **those that will disclose it during this fiscal year** in question 2-3, reached **around 80% for both non-financial and financial institutions.**

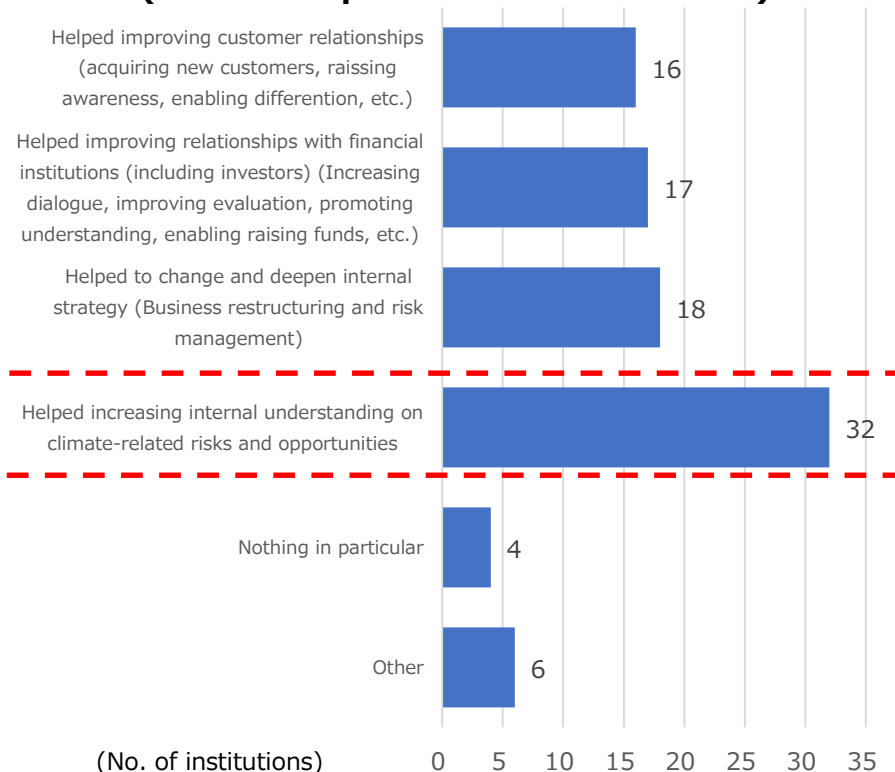
Benefits related to TCFD approval and information disclosure (Question 3)

- What are the benefits of supporting TCFD or disclosing information based on TCFD recommendations? Please choose options which indicates the merits your institutions experienced. (multiple choice)

Non-financial institutions
(No. of Responses: 124 institutions)



Financial institutions
(No. of Responses: 52 institutions)

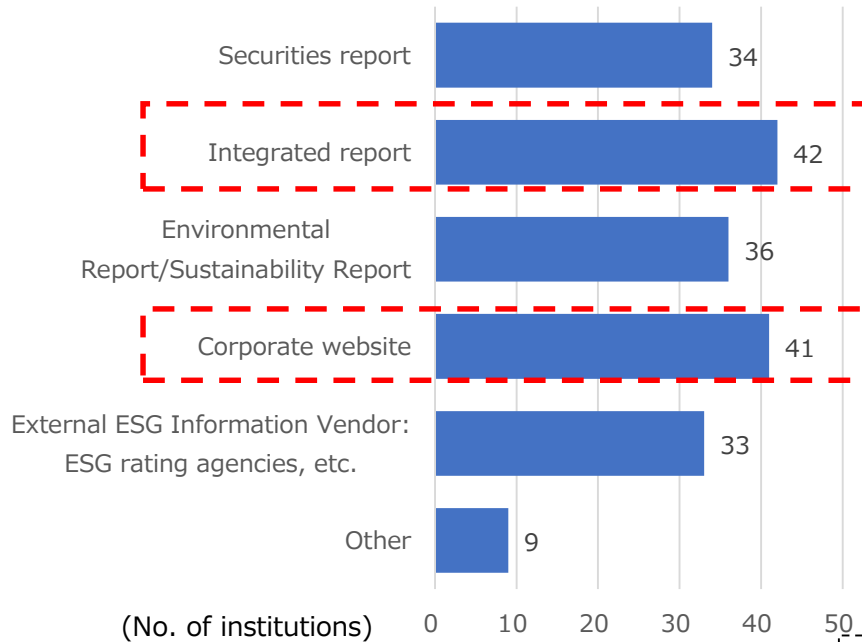


- The survey shows that **80 % of both non-financial and financial institutions responded that they had some specific benefits through supporting TCFD or disclosing information.**
- Both non-financial and financial institutions chose “Help increasing internal understanding on climate-related risks and opportunities” as a benefit.** For non-financial institutions, this is followed by “Helped improving relationships with financial institutions, including investors.”.

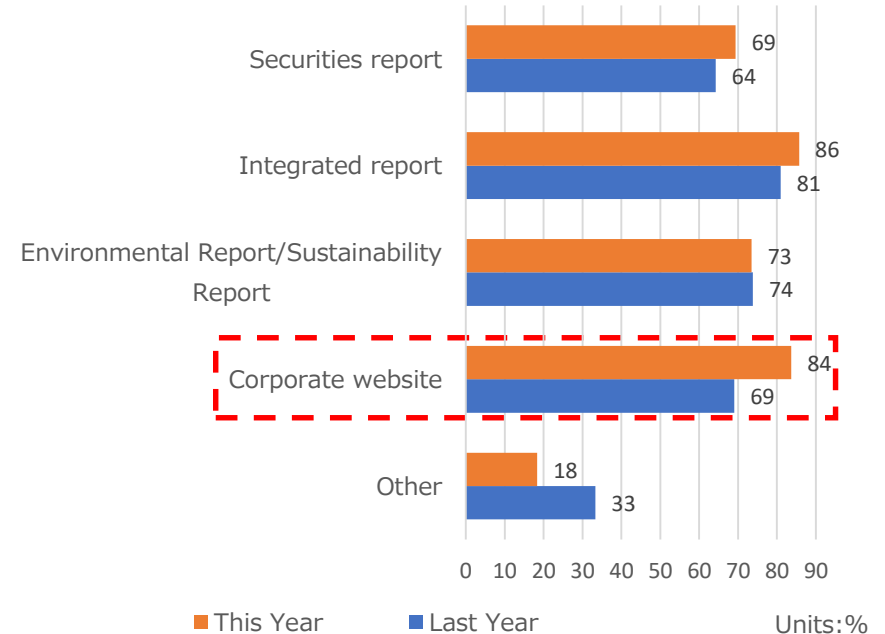
Sources of information of clients (Q5 for financial institutions)

- What media does your institution use to obtain information disclosed by the companies receiving investments and loans? (multiple choice)

Financial institutions
(No. of Responses: 49 institutions)



The comparison between this and last year
(Last year: 42 institutions, This year: 49 institutions)



Note1: Industry associations are excluded from "Other" in counting.

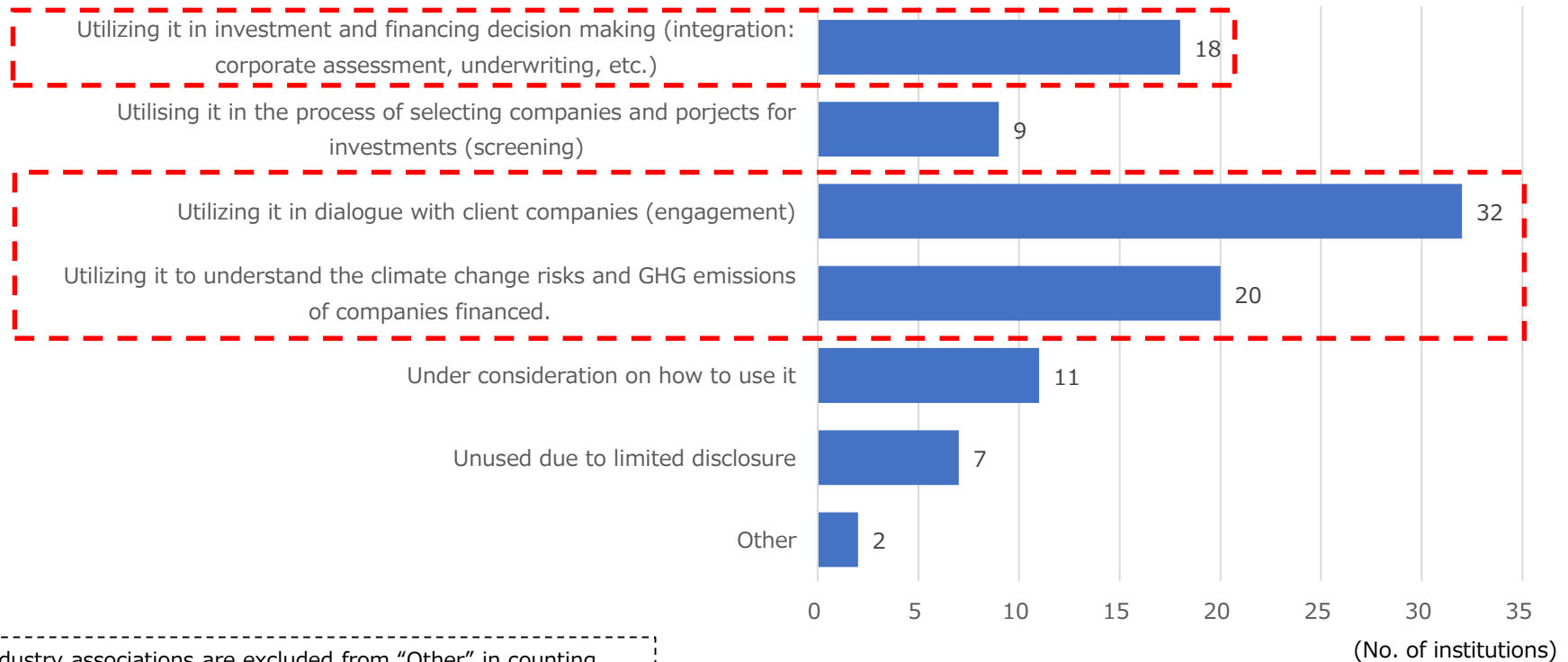
Note 2: Different from the questionnaire last year, the questionnaire this year includes "External ESG Information Vendors" as a choice, so the comparison was made on the basis of excluding this choice as shown in the graph above (right).

- The most frequently used media** by financial institutions to obtain disclosed information base on TCFD from their clients was **"Integrated report"** and **"corporate website."** "Other" includes "surveys and statistics conducted by other companies" and "PR magazine."
- It is shown that **the utilization of "integrated website" has increased** in comparison with the previous survey.

Utilization of disclosed information based on TCFD (Q6 for financial institutions)

- Please choose options which represents to your institution's status of utilizing disclosed information based on TCFD of client companies. (multiple choice)

Financial institutions (No. of Responses: 49 institutions)

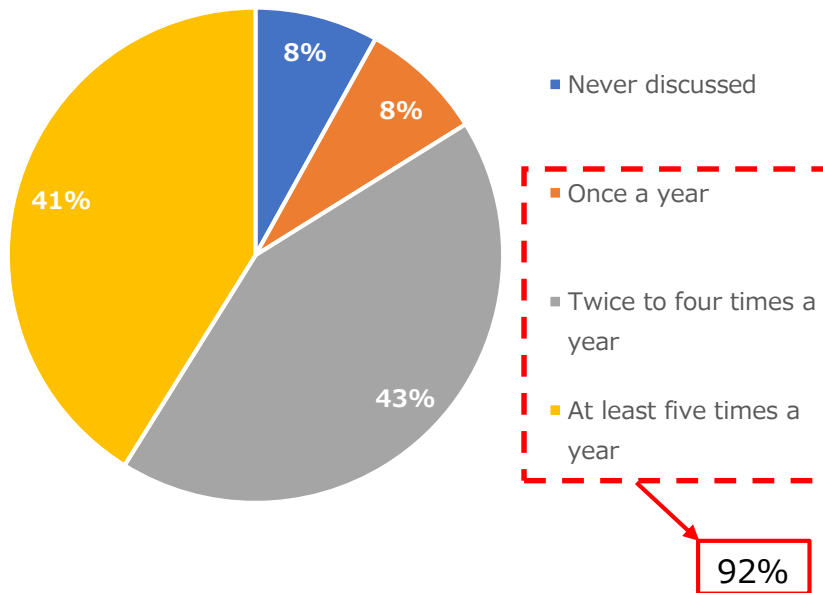


- The survey shows that over 60% of the responding financial institutions utilized information disclosed based on TCFD in their engagement activities.
- The next most common answers were “for integration activities (e.g. investment decision-making)” and “for understanding borrowers’ climate change risks and GHG emissions,” but only about 40% of responding financial institutions use information for these purposes.

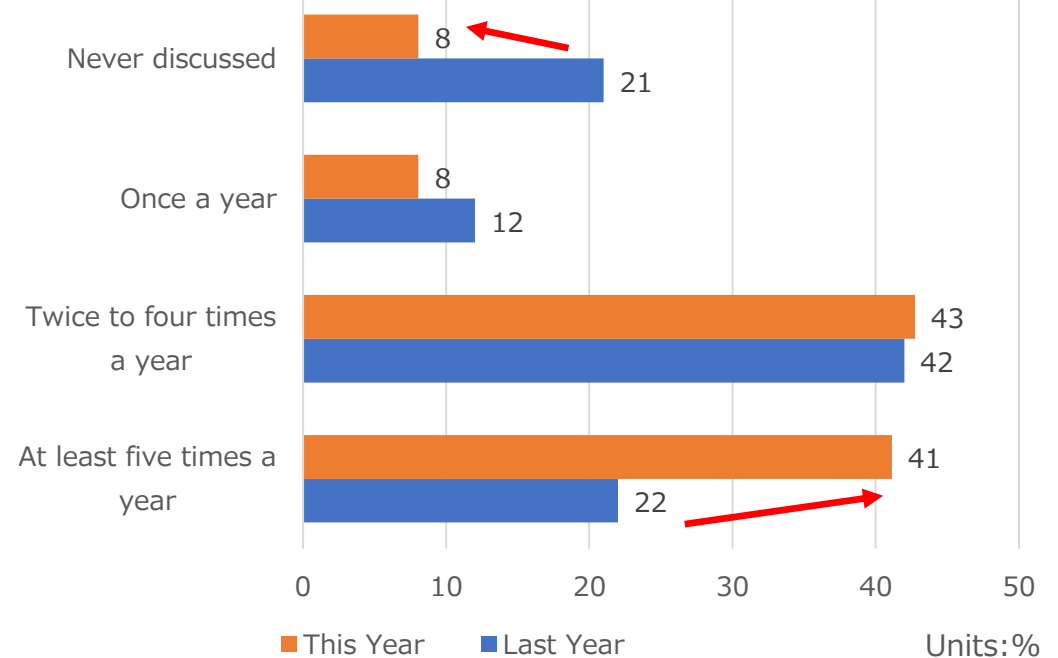
Frequency of dialogue with financial institutions (Q4 for non-financial institutions)

- Please share how often your institution discusses information on climate change with financial institutions including investors (engagement: choose one)

Non-financial institutions
(No. of Responses: 124 institutions)



Last Compare
(Last year: 91 institutions, this year: 124 institutions)

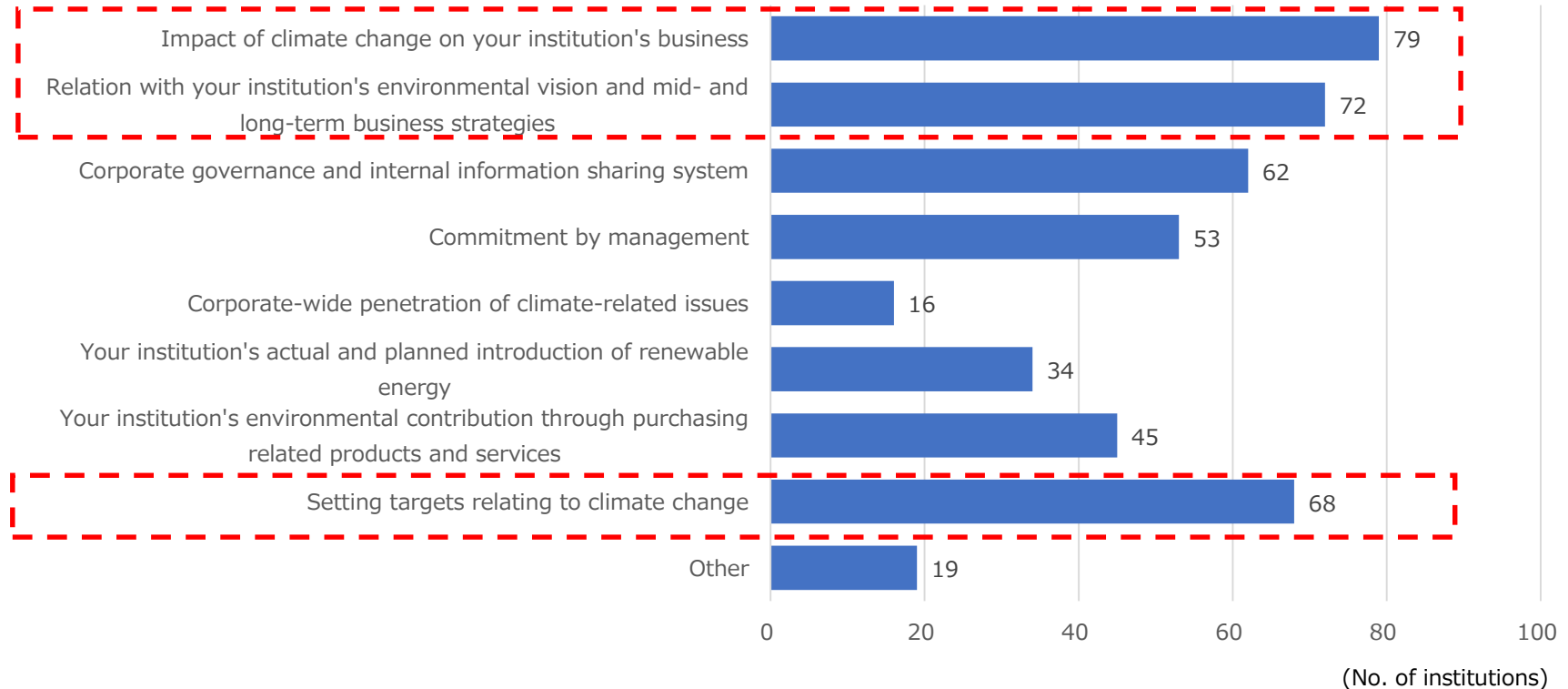


- The survey shows that over 90% of non-financial institution respondents answered that information disclosure on climate change was a topic of conversation with financial institutions. In addition, more than 40% of the respondents answered that they discussed this topic "At least five times a year."
- Compared to the previous survey, the percentage of responses to "At least five times a year" in particular increased about 2 times, while the percentage of responses to "never talked about" halved from 20% to less than 10%, indicating that the frequency which climate change becomes a topic of dialogue with financial institutions has been increasing.

Disclosed information emphasized by financial institutions (Q5 for non-financial institutions)

- (For institutions which choose options other than a. in question 4). In your institution's dialogues with financial institutions (engagement), what specific information did financial institutions place importance on, and what questions from financial institutions have your institutions received. (multiple choice)

Non-financial institutions (No. of Responses: 114 institutions)



- The top 3 choices relating to information disclosure on which **financial institutions place importance at dialogues with their clients** were **“Impact of climate change on your institution’s business,” “Relation with your institution’s environmental vision and mid- and long-term business strategies”** and **“Setting targets relating to climate change.”**
- “Other” included topics including countermeasures for supply chain management.