

The research on climate actions of asset management companies (2023)

No	Questions/Evaluation item	Full Score (points)
1	The Net-Zero Declaration and the emission reduction target	12 points
Q1	Is the company a signatory of NZAMI? {Yes: 2 points, No: 0 points }	2
Q2	Has the company pledged to achieve net zero emissions by 2050? {Yes: 2 points, No: 0 points}	2
Q3	Has the company set a 2030 target of reducing greenhouse gas emissions from your asset under management? (Regardless of "absolute emissions," "Carbon intensity," or "Portfolio SBT Coverage ratio") { Yes: 2 points, No: 0 points}	2
Q4	If the company's target emission reduction of greenhouse gases through your asset management (2030 target) is based on carbon intensity or absolute emission, what percentage of reduction do you set as a target? { 40% or less: 0 points, 41% ~50%: 2 points, 51% ~ 60%: 4 points, over 60%: 6 points } No 2030 target of reduction is set, or the target is based on the portfolio SBT coverage: N/A (0 points)	6
2	Policies to restrict or exclude investments in businesses relating to coal, oil, gas, etc	14 points
Q5	Does the company have policies to restrict and exclude investments to companies involved in coal mining? { Yes: 2 points, No: 0 points}	2
Q6	Does the company have policies to restrict and exclude investments to companies involved in coal-fired power generation? { Yes: 2 points, No: 0 points}	2
Q7	Does the company have policies to restrict and exclude investments in companies involved in mining of fossil fuels other than coal, such as oil and gas? { Yes: 2 points, No: 0 points}	2
Q8	Does the company have policies to restrict and exclude investments to companies involved in power generation using fossil fuel other than coal, such as oil and gas? { Yes: 2 points, No: 0 points}	2
Q9	Does the company have policies restricting and excluding investments in companies exploiting tar sands, shale oil, and fossil fuels in the Arctic Region? {Yes: 2 points, No: 0 points}	2
Q10	Does the company have policies to restrict and exclude investments to businesses involved in biomass power generation (mono-fuel combustion and mixed combustion with coal-fired power)? {Yes: 2 points, No: 0 points}	2
Q11	Does the company have policies to restrict and exclude investments to businesses involved in the use of hydrogen and ammonia in power generation (mono-fuel combustion and mixed combustion with coal-fired power)? { Yes: 2 points, No: 0 points}	2
3	Regarding the target of reducing emissions from high-emission sectors and business entities, including those handling coal, oil, and gas as well as power generation business	16 points

Q12	Does the company have emission reduction targets for the power-generation sector? {Yes (Carbon intensity is below 138 g CO2/kWh): 4 points, Yes (Carbon intensity is over 139gCO2/kWh): 2 points, No: 0 points} 138gCO2/kWh: Carbon intensity required for the power-generation sector of Japan as an advanced economy according to the IEA net-zero scenarios.	4
Q13	Does the company have emission reduction targets for the oil and gas sectors? { Yes: 2 points, No: 0 points}	2
Q14	Does the company have emission reduction targets for the coal sector? {Yes: 2 points, No: 0 points}	2
Q15	Does the company stipulate, in a written form, policies and conditions, and attitude to place significant value on engagement with high-emission business entities (including but not limited to companies in the coal, oil, gas, and power generation sectors)? (Add points only for the individual company' s engagement. Initiatives of joint engagement are not counted.) {Publicly disclosed: 2 points, Not disclosed (or no policy exists): 0 points}	2
Q16	Does the company report, in an appropriate form such as a sustainability report, implementation situations of climate-change-related engagement with high-emission business entities (including but not limited to companies in the coal, oil, gas, and power generation sectors)? {Yes, reported: 2 points, Not reported : 0 points} *0 points, if the answer to the Above Q15 is "Not disclosed (or no policy exists)".	2
Q17	What is the implementation scale of climate-change-related engagement? (The number of domestic companies and overseas companies that have been engaged. Not limited to high-emission companies) {Over 101 companies: 4 points, 100 to 51 companies: 2 points, 50 to 0 companies: 0 points} *N/A (0 points) if the number is not disclosed or cannot be judged, or no engagement policy as in Q15. * We referred to company reports, including sustainability reports and stewardship reports.	4
4	Value of the portfolio's WACI (weighted average carbon intensity) (Scope 1+2. (tCO2/US\$1 million)	6 points
Q18	{Domestic stocks}What is the level of the WACI (weighted average carbon intensity) of the portfolio (Scope 1+2. (tCO2/US\$1 million)? {Below 70: 3 points, 70 ~79: 2 points, 80~89: 1 point, over 90 or no information: 0 point} * We adopted and referred to the latest available and accessible figures of the companies as of January 19th, 2024.	3
Q19	{Domestic bonds} What is the level of the WACI (weighted average carbon intensity) of the portfolio (Scope 1+2. (tCO2/US\$1 million)? {Below 100: 3 points, 100~199: 2 points, 200~299: 1 point, over 300 or no information: 0 points} * We adopted and referred to the latest available and accessible figures of the companies as of January 19th, 2024.	3
5	Criteria for Exercising Voting Rights Relating to Climate Change (not limited to criteria for shareholder's proposals and articles of organization)	30 points
-	We examined if there are specific sentences demanding particular actions to strengthen investee companies' climate actions in voting rights guidelines (domestic stocks) , policies relating to voting rights, or pre-conditional policies for exercising voting rights such as those stipulating desirable business practices required of invested companies. Sentences regarding information disclosure and emission reduction targets (Q20~Q22) Sentences regarding other specific actions (Q23)	-

Q20	Information disclosure based on TCFD . {Yes: 4 points, No: 0 points}	4
Q21	Setting of emission reduction targets consistent with the goal of the Paris Agreement (or to achieve the 2050 Net Zero target) {Yes: 12 points (requesting acquisition of or commitment to SBT accreditation and requiring alignment with the 1.5°C target instead of the 2°C target) Yes: 8 points (requesting acquisition of or commitment to SBT accreditation) Yes: 4 points No: 0 points}	12
Q22	The development of specific business operation plans/information disclosure and reviewing of business management in order to accelerate emission reductions in line with the goal of the Paris Agreement (or to achieve the 2050 Net Zero) {Yes: 8 points (requiring to be consistent with the 1.5°C target), Yes: 4 points (not requiring consistency with the 1.5°C target), No: 0 points}	8
Q23	Sentences that encourage the reduction of and withdrawal from fossil fuel use { Yes: 6 points, No: 0 points}	6
6	Results of each exercised voting rights on the shareholders' proposals relating to climate change and transparency of its processes (disclosure of reasons of pros and cons)	22 points
-	We evaluated the asset managers' performances based on how they voted to the shareholders' proposals submitted by domestic and international environmental NGOs to the 2023 general shareholders' assemblies of Japanese mega-banks, trading firms, and power companies.	-
Q24	What was the percentage of supporting votes? *The number of upvotes is divided by the number of resolutions that the asset managers voted, multiplied by 20 points (to be rounded up after the decimal point) *Proposal to non-shareholder companies are excluded from the above calculation.	20
Q25	What is the percentage of the resolutions in which reasons for the pros and cons votes are explained? *The number of the resolutions with explanations of reasons are divided by the number of resolutions the asset managers voted, multiplied by 2 points (to be rounded up after the decimal point). *Proposal to non-shareholder companies are excluded from the above calculation.	2
	Total	100