

JBCE Perspectives on EU Sustainable Finance

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Who is JBCE

- Created in 1999, **JBCE (Japan Business Council in Europe)** is a leading European organisation representing the interests of nearly **90 multinational companies with Japanese heritage active in Europe**.
- We work closely with the EU institutions to strengthen both the political and trade relationship between the EU and Japan, and to develop a policy framework that supports fruitful and responsible business conduct.
- Our members operate across a **wide range of sectors**, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceuticals, textiles and glass products.
- **Building a new era of cooperation between the EU and Japan** is at the core of our activities, which we perform under several **committees focusing on: Corporate Policy, Corporate Social Responsibility, Digital Innovation, Environment & Energy, Standards and Conformity, and Trade**.

Mission of JBCE

- **Build a bridge between Japan and the EU**, enhancing Europe's understanding of Japanese companies and their contribution to the European economy
- Contribute to EU public policy **by sharing our members' expertise** with decision-makers **across sectors**
- **Promote a favorable and predictable environment** in which Japanese companies across all sectors can compete for sustainable growth in Europe

JBCE CSR Committee activities

CSR Strategy & SDGs

- Participated EU CSR multi-stakeholder Forum
- Applied EU SDGs stakeholder platform
- Discussions with DG GROW
- Discussions on the SDGs policies with the European Commission Secretariat General
- Issued position papers

Conflict Mineral/Responsible supply chains

- Discussions with DG TRADE
- Released a joint statement with JEITA for the draft EU Conflict Mineral Regulation
- Discussions with DG Trade for the draft Conflict Minerals Regulation
- Contributed to the OECD, ILO on responsible supply chains in Asia programme

Best practice sharing

- Business and Human rights
- Gender diversity/Work-life balance
- Transparency and anti-bribery
- Responsible supply chains
- EU Japan CSR Business dialogue

EU taxonomy

- Responded to the public consultations
- Discussions with DG FISMA, Technical Expert Group' and Platform on Sustainable Finance
- Issued position papers

Non-financial disclosure directive

- Responded to public consultations (Commission and EFRAG)
- Discussions with DG FISMA
- Discussion with METI on investor-company dialogues for collaborative value creation
- Issued position papers
- Issued joint comments with Digital Europe

Mandatory DD/Sustainable Corporate Governance

- Discussions with DG JUST
- Responded to public consultations
- Enhanced communication with other industry associations

JBCE contributions to EU Sustainable Finance Policy

Discussion with HLEG(DG FISMA)
(Jan, 2018)



2018

- Feedback on usability, first round climate activities & TEG report
- Discussion on Action 10

Discussion with DGJUST
(Dec, 2019)



2020

- Feedback on Sustainable Corporate Governance

- Dialogue with DG FISMA
- Dialogue with the European Asset Manager

2019

Discussion with TEG
(May, 2019)



- Feedback on NFRD review & RSFS
- Contribute to Taxonomy DA

2021

- **Participate to the discussions from early stage**
 - Continuously contributing since the publication of HLEG report
 - Especially focus on **Taxonomy (Action 1)**, **NFI disclosure (Action 9)**, **SCG (Action 10)**
 - **Support the overall objectives of sustainable finance** which will make important contributions to EU Green Deals as well Paris Agreement and SDGs
- **Act as a bridge between Japan and the EU**
 - Awareness-raising of EU sustainable finance in Japanese industries (EX. Discussion with Keidanren)
- **Advocate for the importance of a global approach**
 - Call for the EU and Japan's cooperation to deepen the sustainable finance agenda at international level



**JBCE's welcome statement on
Japan's participation to IPSF (Nov, 2020)**

JBCE Position on the current EU Taxonomy

JBCE promotes workable, market-relevant criteria to make the Taxonomy usable across borders and throughout the value chain.

- **Focus on growth and innovation**

- Importance of recognizing transition technology
- Avoid brown lists and punitive measures

- **Develop workable and coherent Technical Screening Criteria and thresholds via**

- An holistic assessment of economic activities
- An emphasis on transparency and adaptability, and taking into account relevant international actors' views

- **Appropriate usage of Taxonomy**

- JBCE argues that it is inappropriate to use this new classification as criteria for assessing the overall sustainability of a company's activities
- Develop clear, workable guidelines for disclosure requirements
- Appropriate and comprehensive impact assessments should be undertaken for disclosure requirements

JBCE Position on the future of the Taxonomy

JBCE's recommendations on the Renewed Sustainable Finance Strategy with calling for the consistent implementation of the existing Action Plan

(Response to the public consultation in July 2020)

- **Expansion of taxonomy usage**

- Partial agreement with the expansion of taxonomy usage
- Taxonomy usage by the public sector should not penalize non-green sectors which still have a role to play in the transition, and must not be a barrier to dynamic technological innovation.

- **Companies' information disclosure**

- Information disclosures should be complemented by narrative information and dialogues as communication tools between companies and investors
- Improvement of the sustainable finance literacy in both the public and private sectors by the European Commission, such as best practice-sharing and guidelines

- **Global Approach**

- Necessary to recognize the expansion of value chain across borders
- Harmonization with international existing framework

Questions and conclusions

- How could the EU Taxonomy reflect technological innovation in a timely manner? How could we utilize the EU taxonomy in a more competitive way?
- Transition is the key, but it has to be an 'inclusive transition'. Would the EU Taxonomy only accelerate the investment into activities that are already green?
- How could we collect the required data to meet the disclosure requirements? Would everyone use the same methodology?
- How much would investors utilize the data that we collect and disclose? Would our efforts be rewarded?
- Would it be possible and meaningful to create a taxonomy on the social dimension? How could we contribute to the discussion?

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