



Progress in corporate sustainability disclosures

A survey on the use of SASB Standards and related disclosures by TOPIX 100 companies in Japan: Progress with disclosures in the Business Model & Innovation dimension but issues remain

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Foreword



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Over the years, the Sustainability Accounting Standards Board (SASB), which has been integrated into the International Financial Reporting Standards (IFRS) Foundation, has published sustainability reporting standards covering over 70 industries. Standards published by the International Sustainability Standards Board (ISSB) in June 2023 state that where the relevant IFRS sustainability disclosure standards do not exist, the SASB Standards should be referenced and considered. Thus, the SASB Standards continue to attract international attention.

Meanwhile, the current SASB Standards rely heavily on U.S. laws and regulations as the basis of disclosure, so it has been pointed out in some cases that companies outside the United States have difficulties in applying them. The IFRS Foundation is therefore currently considering revisions to the SASB Standards in order to improve their international applicability. The SASB Standards will likely play an even greater role in the future, acting as industry-specific disclosure standards that can be applied worldwide.

Continuing from our work last year, we have conducted another survey on the use by Japanese companies of the SASB Standards for information disclosure. We hope that the results of this survey will help companies respond to new standards.



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For companies, sustainability issues represent important business risks and opportunities for medium- to long-term growth, and vary widely from industry to industry. Meanwhile, there has been rapid progress in the development of standards for non-financial information disclosure and legislation around the world and in Japan particularly over the past several years, although most of that progress relates to industry-agnostic or cross-cutting disclosure standards. The development of industry-specific disclosure standards has not been keeping pace.

In this context, it is very significant that the International Sustainability Standards Board (ISSB) of the IFRS Foundation has started revising the SASB Standards—disclosure standards that take industry-specific characteristics into account. If industry-specific disclosure standards become well-established and broadly utilised, companies will be able to focus more on reporting their relevant material information. This will also be of great help for investors, guiding their decision-making process.

In order to understand the current state of non-financial information disclosure by Japanese companies and what further improvements can be made in the future, PwC conducts surveys of TOPIX 100 companies to determine the extent to which the disclosure requirements called for by the SASB Standards are being met. This is our latest version of the survey findings, following our inaugural report that was published last year.

Our survey results show that the number of Japanese companies using the SASB Standards has been increasing year by year, and that the content of disclosures has improved in quality, but many issues remain. As the disclosure of non-financial information becomes increasingly important in the world, we hope that the results of this survey will help to further improve non-financial information disclosure going forward.



About this report

Progress in the development of sustainability disclosure standards

In June 2023, the International Sustainability Standards Board (ISSB) of the IFRS Foundation issued its first set of standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures.

The two ISSB standards reference the SASB Standards developed in part by the Value Reporting Foundation (VRF), which has been integrated into the ISSB. Notably, industry-specific requirements for climate-related disclosures in IFRS S2 incorporate the content of climate-related SASB Standards.

The Sustainability Standards Board of Japan (SSBJ) was established in July 2022, and since then it has been developing domestic standards that are consistent with the content of the IFRS Sustainability Disclosure Standards. The evolution of these standards is expected to have a significant impact on corporate sustainability disclosure in Japan. Responding to these new standards can also be seen as a great opportunity for companies to improve their sustainability disclosure.

Survey method

We compared publicly available information from TOPIX 100-listed companies with the SASB Standards (industry-specific SASB Standards) that are relevant to each company surveyed, in order to clarify the current status and issues relating to disclosure. Besides looking at the SASB content indexes published by companies, the survey also considered other information disclosed by

Purpose of this survey

The purpose of this survey is to clarify the current status of sustainability disclosure by Japanese companies and related challenges, by surveying the extent to which disclosure by TOPIX 100 companies is aligned with the SASB Standards. Since some TOPIX 100 companies may not be referring to the SASB Standards, the results of this survey can be interpreted as representing the efforts of companies to disclose sustainability information, in this case as seen through the lens of the SASB Standards.

As the industry-specific SASB Standards are being incorporated into the development process for the ISSB standards, our findings will also help to clarify how well Japanese companies will be aligned with the anticipated domestic sustainability disclosure standards.

By deepening our understanding of the areas where Japanese companies are successfully addressing the SASB Standards today and where there is still room for improvement, this survey provides information to assist Japanese companies and all investors in responding to future changes in standards.

each company, including sources such as sustainability reports, integrated reports and websites. Having obtained this information, we conducted research and analysis in three layers: 1. Use of SASB Standards, 2. Materiality and SASB Standards, and 3. Disclosure of metrics. With the three layers, we not only examined overall trends, but also conducted detailed analysis by sustainability dimension and by disclosure topic, as well as detailed analysis by sector and by industry.

1 Use of SASB Standards

- Are the SASB Standards being used? If they are, how?
- Does use differ by sector, industry etc.?

2 Materiality and SASB Standards

- Do company reports disclose information on industry-specific disclosure topics specified in the SASB Standards?
- Do the material issues identified by each company's materiality assessment include the industry-specific disclosure topics specified in the SASB Standards?

3 Disclosure of metrics

- Which disclosure topics are seeing progress? Which are not keeping pace?
- Why are there gaps in the level of disclosures for some topics compared to others?
- How do disclosures differ between sectors and industries etc.?



Breakdown by sector and industry



Breakdown by dimension and industry-specific topic

Overview of SASB Standards

Components of the SASB Standards

When examining the status of disclosures in terms of the SASB Standards, research and analysis were conducted based on the following main components. For more details on the SASB Standards please refer to the IFRS Foundation's official website: <https://www.sasb.org/>

SASB Standards	The SASB Standards (or industry-specific SASB Standards) are a large set of standards that identify the subset of environmental, social, and governance issues most relevant to financial performance of individual industries. They are designed to help companies disclose financially-material sustainability information to investors.
Sectors and industries	The SASB Standards include 77 industry-specific standards that cover 11 different sectors. Ten out of the 11 sectors, and 34 out of 77 industries are represented in the TOPIX 100.
Dimensions and topics	The SASB Standards encompass a broad range of sustainability issues, which are divided into 5 dimensions and 26 general issue categories. Industry-specific disclosure topics are tied to these issue categories. All topics are represented in the relevant industry-specific standards used by companies in the TOPIX 100.
Metrics	Each SASB Industry Standard includes a variety of metrics that require either specific quantitative data or disclosure on certain discussion points. These metrics align with the dimensions and topics. Additionally, for each metric, specific criteria that elaborate what information is needed are provided in the standards.
SASB content indexes	SASB content indexes are tables or charts in which companies disclose their responses against the metrics of the relevant standards.



The sectors and industries included in this research (34/77 Industry Standards)

Sectors	Industries
Consumer Goods	<ul style="list-style-type: none"> Apparel, Accessories & Footwear Household & Personal Products Toys & Sporting Goods
Extractives & Minerals Processing	<ul style="list-style-type: none"> Iron & Steel Producers Oil & Gas - Refining & Marketing
Financials	<ul style="list-style-type: none"> Commercial Banks Investment Banking & Brokerage
Food & Beverage	<ul style="list-style-type: none"> Alcoholic Beverages Processed Foods
Health Care	<ul style="list-style-type: none"> Biotechnology & Pharmaceuticals
Infrastructure	<ul style="list-style-type: none"> Home Builders
Resource Transformation	<ul style="list-style-type: none"> Chemicals Industrial Machinery & Goods
Services	<ul style="list-style-type: none"> Leisure Facilities
Technology & Communications	<ul style="list-style-type: none"> Hardware Semiconductors Telecommunication Services
Transportation	<ul style="list-style-type: none"> Airlines Automobiles
Renewable Resources & Alternative Energy	—



5 dimensions and 26 general issue categories included in this research

Dimensions	General Issue Categories	
Environment	<ul style="list-style-type: none"> • Greenhouse Gas Emissions • Energy Management • Waste & Hazardous Materials Management 	<ul style="list-style-type: none"> • Air Quality • Water & Wastewater Management • Ecological Impacts
Social Capital	<ul style="list-style-type: none"> • Human Rights & Community Relations • Data Security • Product Quality & Safety • Selling Practices & Product Labeling 	<ul style="list-style-type: none"> • Customer Privacy • Access & Affordability • Customer Welfare
Human Capital	<ul style="list-style-type: none"> • Labor Practices • Employee Engagement, Diversity & Inclusion 	<ul style="list-style-type: none"> • Employee Health & Safety
Business Model & Innovation	<ul style="list-style-type: none"> • Product Design & Lifecycle Management • Supply Chain Management • Physical Impacts of Climate Change 	<ul style="list-style-type: none"> • Business Model Resilience • Materials Sourcing & Efficiency
Leadership & Governance	<ul style="list-style-type: none"> • Business Ethics • Management of the Legal & Regulatory Environment • Systemic Risk Management 	<ul style="list-style-type: none"> • Competitive Behavior • Critical Incident Risk Management

What a SASB content index looks like

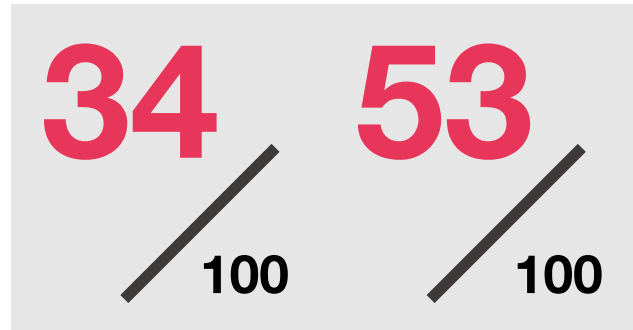
How companies align their disclosure with the SASB Standards can differ. However, one common tool used for disclosure is a SASB content index. These indexes are published on company websites or in their reports and include specific responses or links to relevant information for each applicable metric.

SASB content index			
Topic	Code	Metric	Response
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	—
	RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	—
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	—
—	—	—	—

Key findings

The SASB Standards are referred to or used by 53% of TOPIX 100 companies. About two-thirds of those companies provide a SASB content index. (Section 1)

As with last year, the survey found that over half of the TOPIX 100 companies are using the SASB Standards, at 53 companies this year. About two-thirds of them, or 34 companies, have created a SASB content index, an increase of more than 40% from the 23 companies in last year's survey.

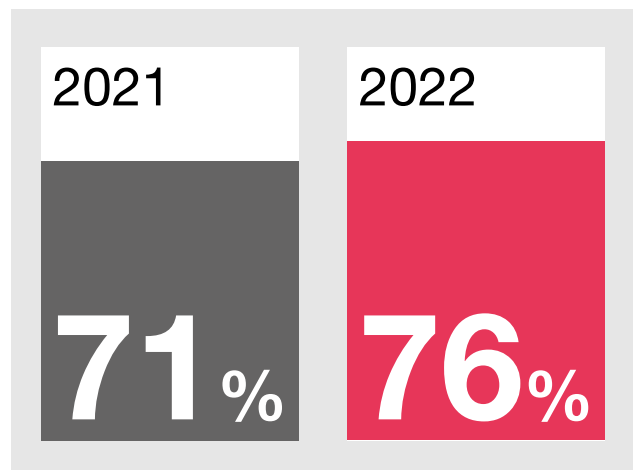


Alignment has improved between TOPIX 100 company materiality assessments and key sustainability issues (disclosure topics) in the SASB Standards. (Section 2)

Seventy-six percent (76%) of the topics indicated in the SASB Standards were identified as material issues in the materiality assessments in TOPIX 100 companies' disclosures, up from 71% in last year's survey.

It is important that companies follow their own approaches to analyse the medium- to long-term external environment and identify material issues, therefore it is not always absolutely necessary for them to fully align with the material issues for their sector as identified in the SASB Standards.

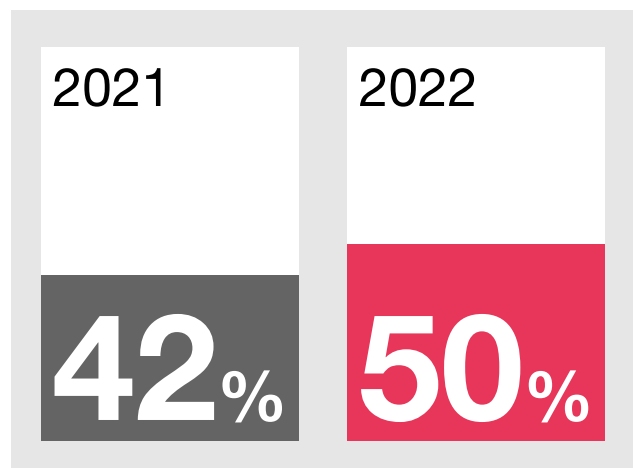
However, as with last year, this year's survey again clearly shows that the key sustainability issues identified by Japanese companies through their materiality assessments are very closely aligned with disclosure topics as identified in the SASB Standards.



TOPIX 100 companies have increased their reporting on key metrics in the SASB Standards. (Section 3)

TOPIX 100 companies fully disclosed 6.5% of key industry-specific metrics that are called for by the SASB Standards, partially disclosed 43.5%, and had no disclosure at all on 50%. Full or partial disclosure increased by 8 percentage points to 50%, up from 42% last year.

However, the results vary widely according to factors such as issue category and industry. In addition, where metrics were not disclosed, the reasons for having no disclosure appear to be related to the characteristics of those metrics. This observation is similar to observations last year.



1. Use of SASB Standards

Use of SASB Standards

This year's survey showed that, like last year, more than half of TOPIX 100 companies are using the SASB Standards.

The ways companies use the SASB Standards vary greatly from company to company. Fifty-three of the companies used the SASB Standards in one way or another. For example, to refer to as guidance for reporting sustainability information; as a source of information to identify material issues in materiality assessments; or for disclosure of key metrics via a SASB content index to indicate how the SASB Standards are applied.

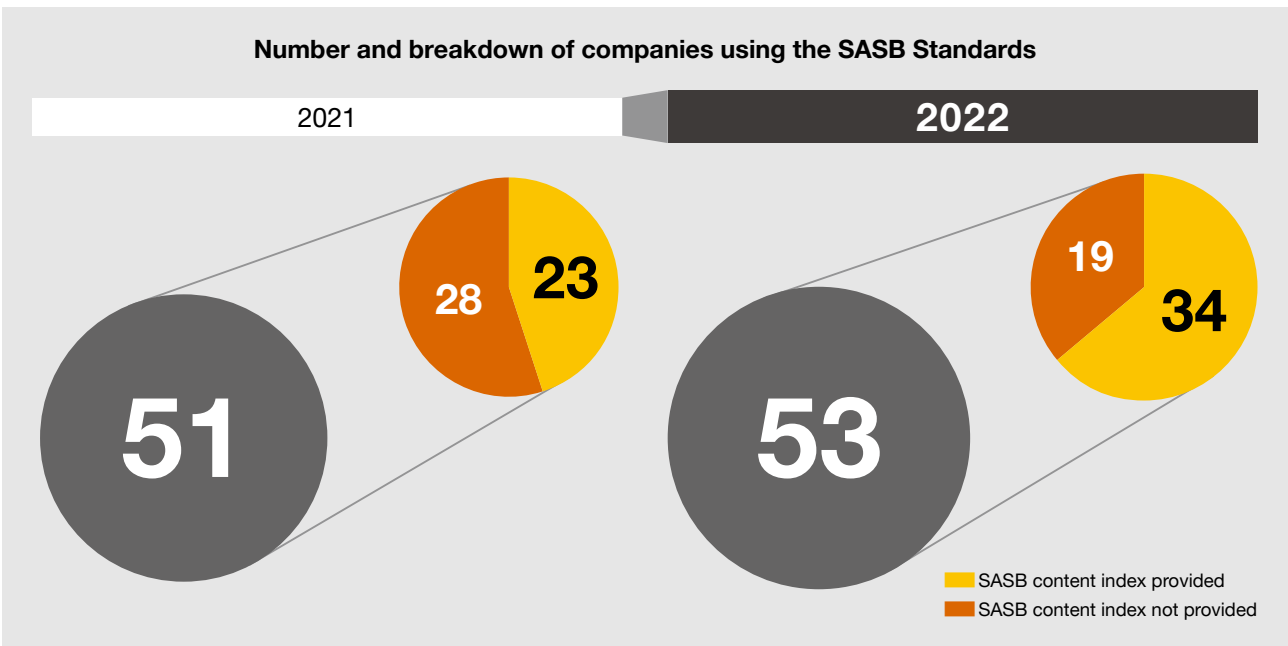


Using SASB Standards: Creation of SASB content index

This year, 34 companies disclosed a SASB content index referring to the SASB Standards, an increase of more than 40% from 23 companies last year.

The SASB Standards Application Guidance outlines practical points for applying the SASB Standards. It states: 'When reporting using a SASB standard, an entity

shall cite the relevant SASB standard in order to be in conformance with the standard.' When using the SASB Standards, it is important to indicate alignment with the SASB Standards, such as in the form of a SASB content index. The increase in the number of companies providing SASB content indexes is expected to lead to better utilization of the SASB Standards.



Disclosure of SASB content index

After examining the TOPIX 100 companies that were found to be disclosing a SASB content index, we found examples of companies from all sectors (as defined in the SASB Standards) except Extractives & Minerals Processing disclosing a content index.

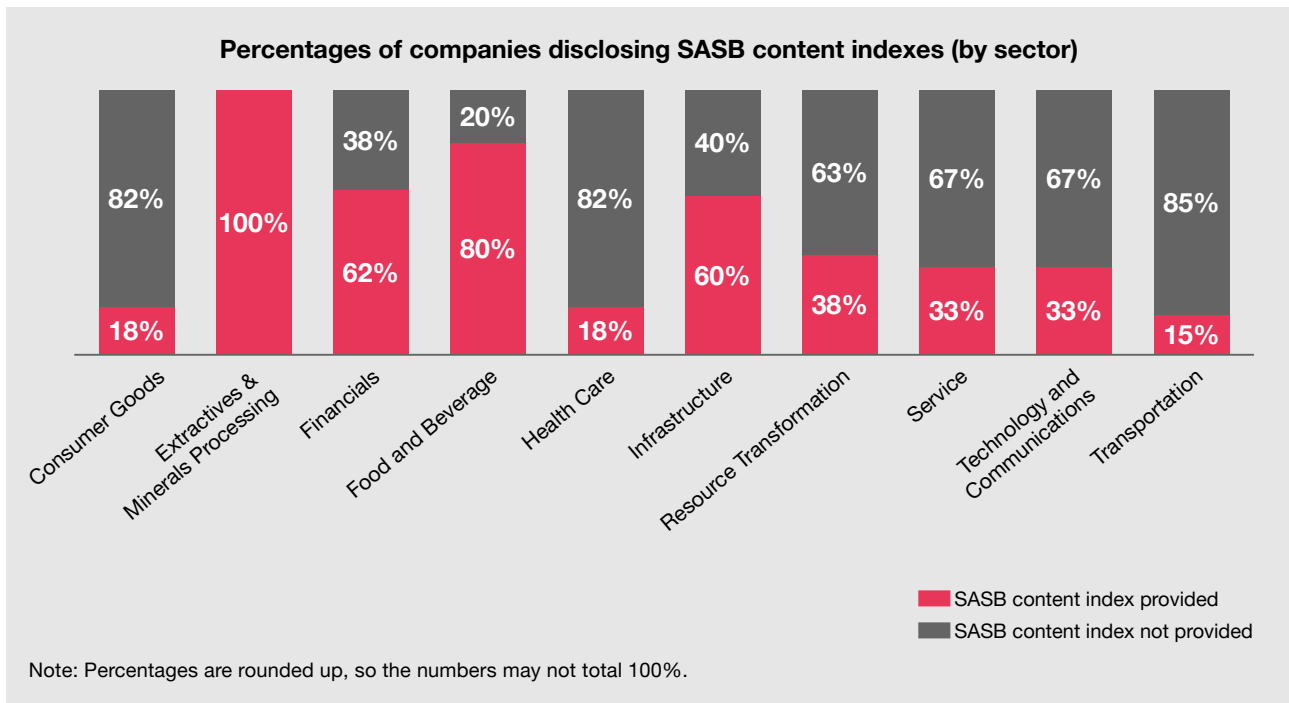
In this year's survey, two companies in the Health Care sector disclosed a SASB content index for the first time. Last year, no companies in that sector did so. We believe that these relatively low numbers are due to the large number of metrics demanded for those industries, and the complexity of the metrics.

Metrics in the SASB Standards that are not internationally applicable have been identified, and they are estimated at 20% of about 1,000 metrics. This is one of the reasons the IFRS Foundation's ISSB is currently in the process of revising the metrics. In fact, one-third of the proposed amendments are in the Health Care, and Financials sectors, so a revision of the metrics could be expected to expand the use of the SASB Standards in these sectors.

Looking at the increase in the survey results from last year, there was not a large difference by sector.

There was an increase of three companies in Financials and two in Health Care, and in terms of industries, there was an increase of one company each in all industries. In this year's survey, companies in the following 11 industries newly joined the ranks of those that disclose SASB content indexes.

- Household & Personal Products (Consumer Goods)
- Commercial Banks (Financials)
- Insurance (Financials)
- Security & Commodity Exchanges (Financials)
- Alcoholic Beverages (Food & Beverage)
- Biotechnology & Pharmaceuticals (Health Care)
- Medical Equipment & Supplies (Health Care)
- Home Builders (Infrastructure)
- Electrical & Electronic Equipment (Resource Transformation)
- Hardware (Technology & Communications)
- Automobiles (Transportation)

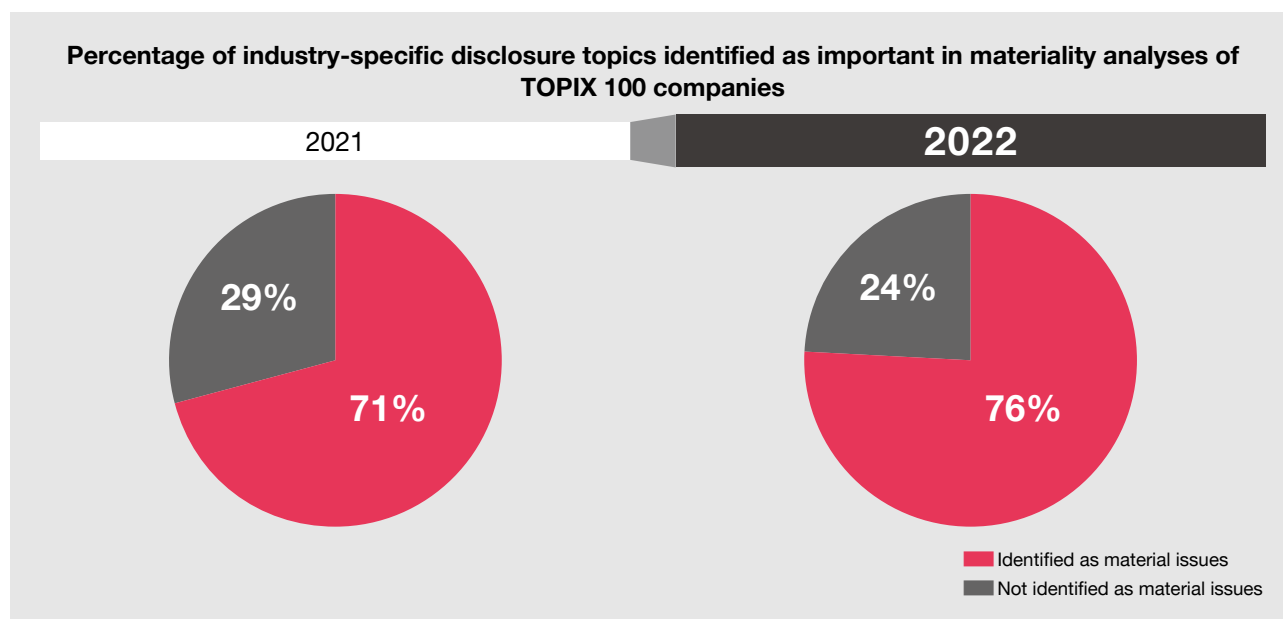


2. Materiality and SASB Standards

Alignment between SASB Standards and material issues identified by companies

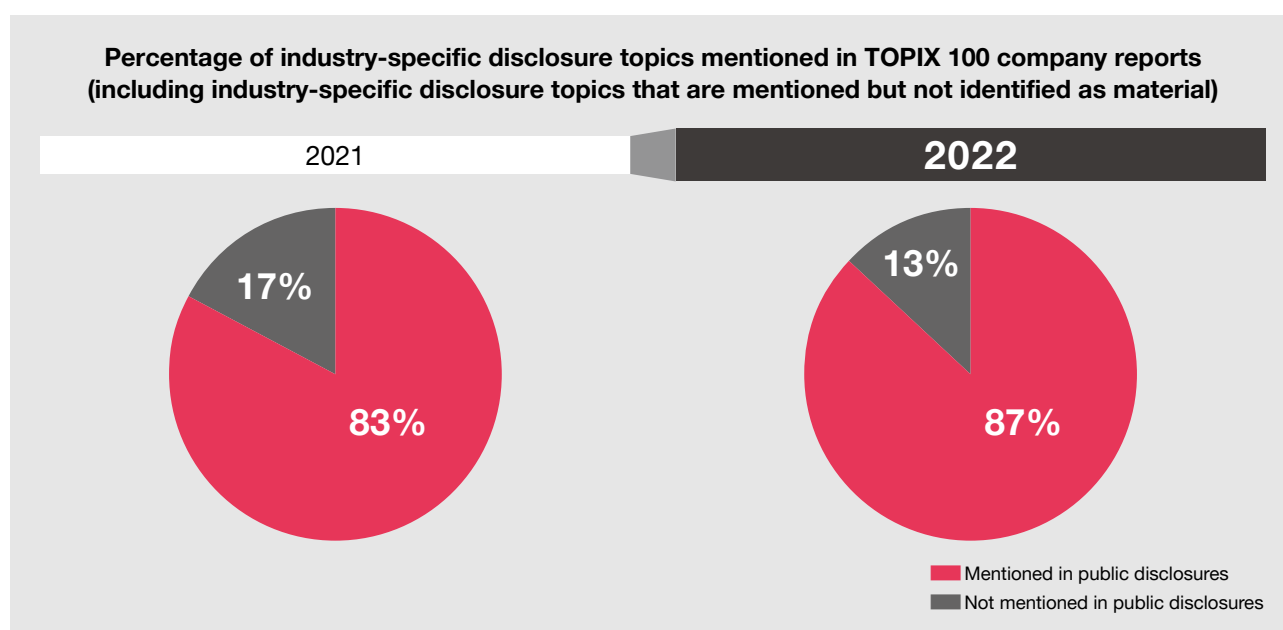
The SASB Standards identify key sustainability issues (disclosure topics) by industry. We investigated the degree to which the key sustainability issues identified in materiality assessments done by TOPIX 100 companies are aligned with the industry-specific disclosure topics as defined in the SASB Standards.

As a result, we found that 76% of the industry-specific disclosure topics as defined in the SASB Standards were identified as material issues in the materiality assessments of TOPIX 100 companies. This represents a 5 percentage point increase to 76%, from 71% last year.



Besides the above observations, 87% of the industry-specific disclosure topics in the SASB Standards were mentioned in various TOPIX 100 company reports. This represents an increase from 83% last year. As noted in the previous section, almost half of the TOPIX 100

companies (47 companies) do not mention the use of the SASB Standards in their published information, but despite this, the TOPIX 100 company disclosures are quite closely aligned with industry-specific disclosure topics in the SASB Standards.



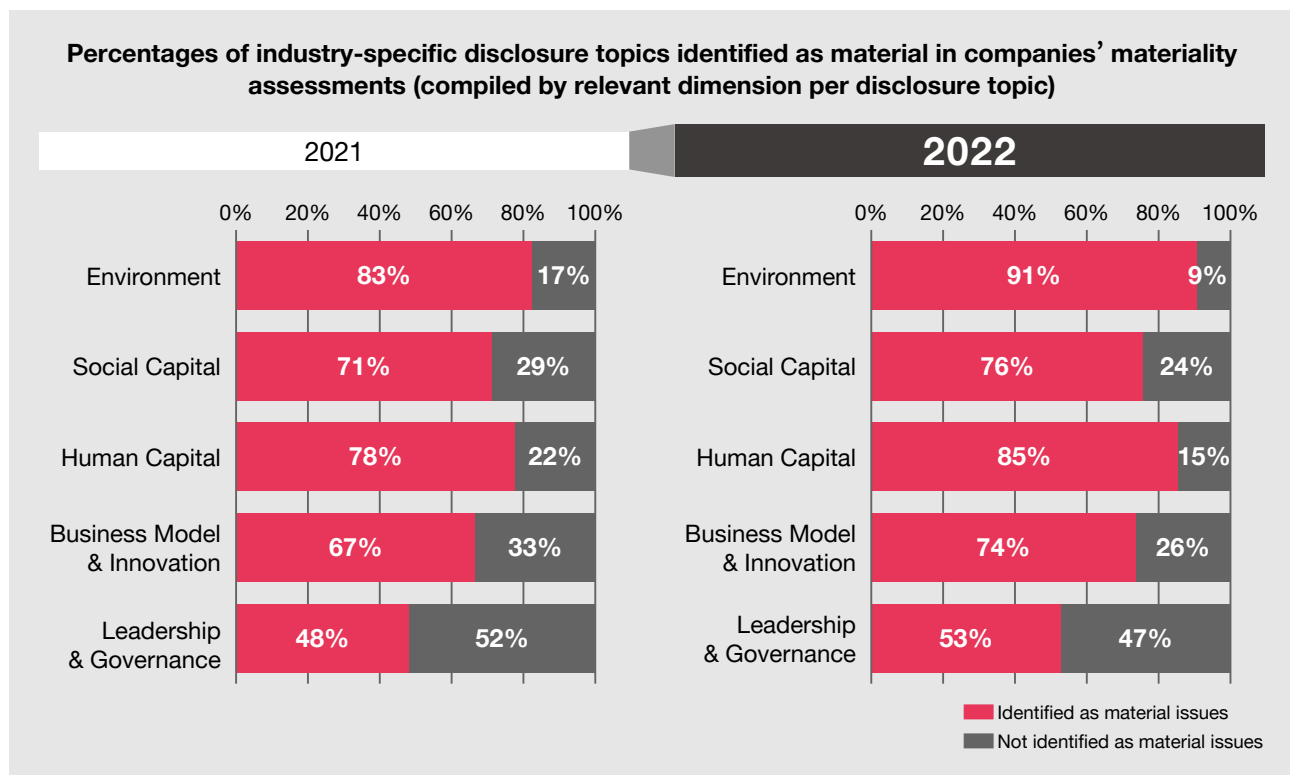
Trends in materiality assessments by TOPIX 100 companies (Part 1)

We compiled results of alignment between the SASB Standards and material issues identified by companies, by dimension associated with the industry-specific disclosure topic. Analysis of the findings based on dimensions provided by the SASB Standards reveals trends in the materiality assessments done by TOPIX 100 companies.

Environment-related disclosure topics tend to be identified as material issues in the materiality assessments of TOPIX 100 companies across all industries. On the other hand, Leadership & Governance-related disclosures, like in last year's survey, are not identified as material issues for nearly half of the companies.

The specific definition of materiality assessment and the scope of issues to be analysed will naturally vary from company to company. As with last year's findings, there could be a bias toward specific issues in the materiality assessments of Japanese companies, so Leadership & Governance may be less likely to fall within the scope of the discussion.

We have noted that alignment between SASB Standards and material issues identified by companies rose from 71% last year to 76% this year. In compiling the numbers by dimension, nothing particularly noteworthy appeared to explain the rise.



Trends in materiality assessments by TOPIX 100 companies (Part 2)

As mentioned above, nothing particularly noteworthy appeared to explain this year's rise in numbers when compiled by dimension. However, looking at the deeper level of disclosure topics, we can see some features that explain the increase in numbers from last year.

Excluding the impacts of factors such as changes in how SASB classifies a company's industry, and the composition of TOPIX 100 companies, significant progress was made at the level of disclosure topics (issue categories) for Product Design & Lifecycle Management (Business Model & Innovation dimension) and Energy Management (Environment dimension).

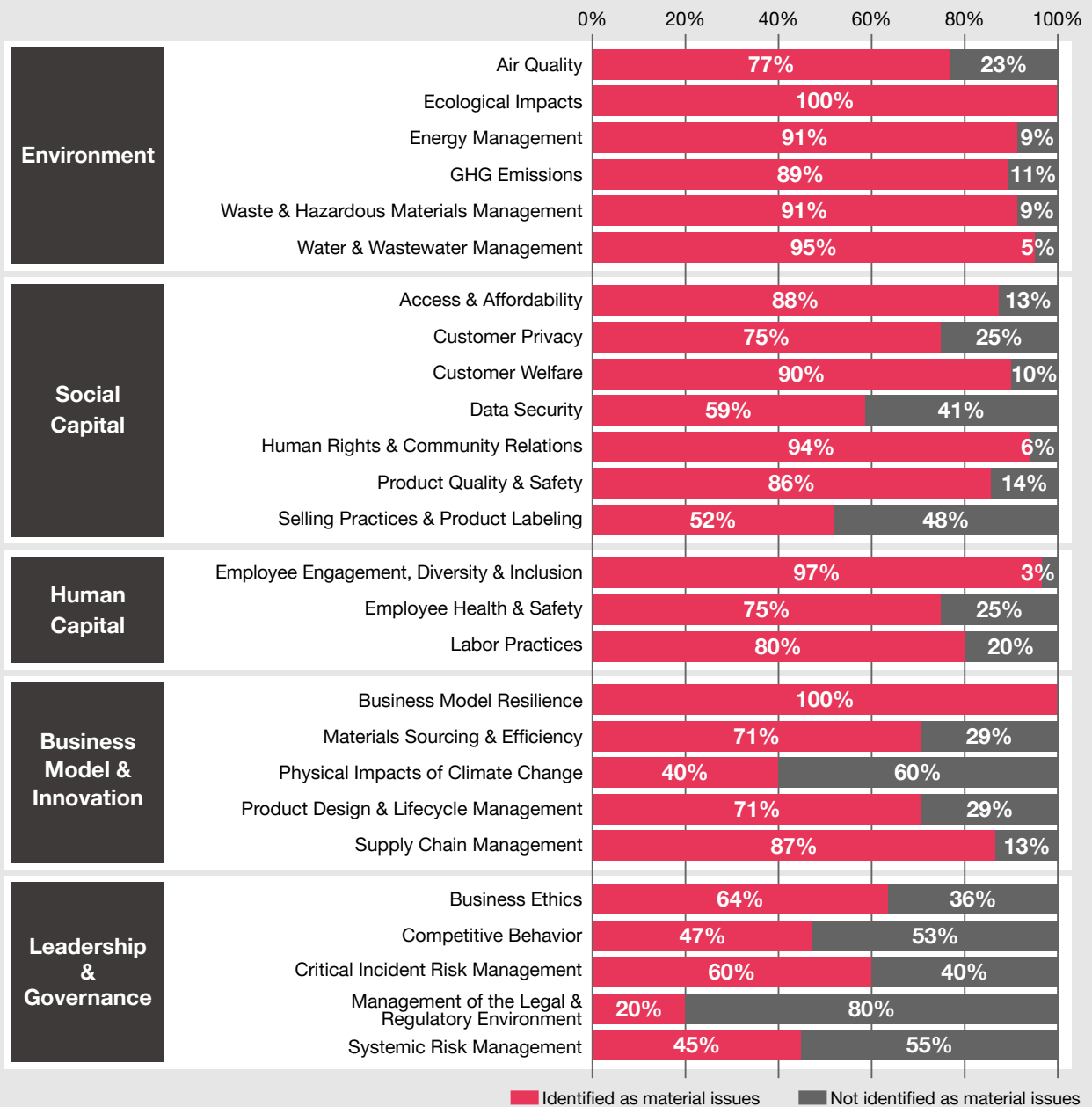
2. Materiality and SASB Standards

Some progress relative to last year was also evident in Materials Sourcing & Efficiency (Business Model & Innovation dimension), Labor Practices (Human Capital dimension), Competitive Behavior (Leadership & Governance dimension), and Product Quality & Safety

(Social Capital dimension).

In terms of sectors and industries, progress was made in the Automobiles industry (Transportation sector), Insurance (Financials), and Real Estate (Infrastructure).

Percentages of industry-specific disclosure topics identified as material in companies' materiality assessments (compiled by relevant issue category per disclosure topic)



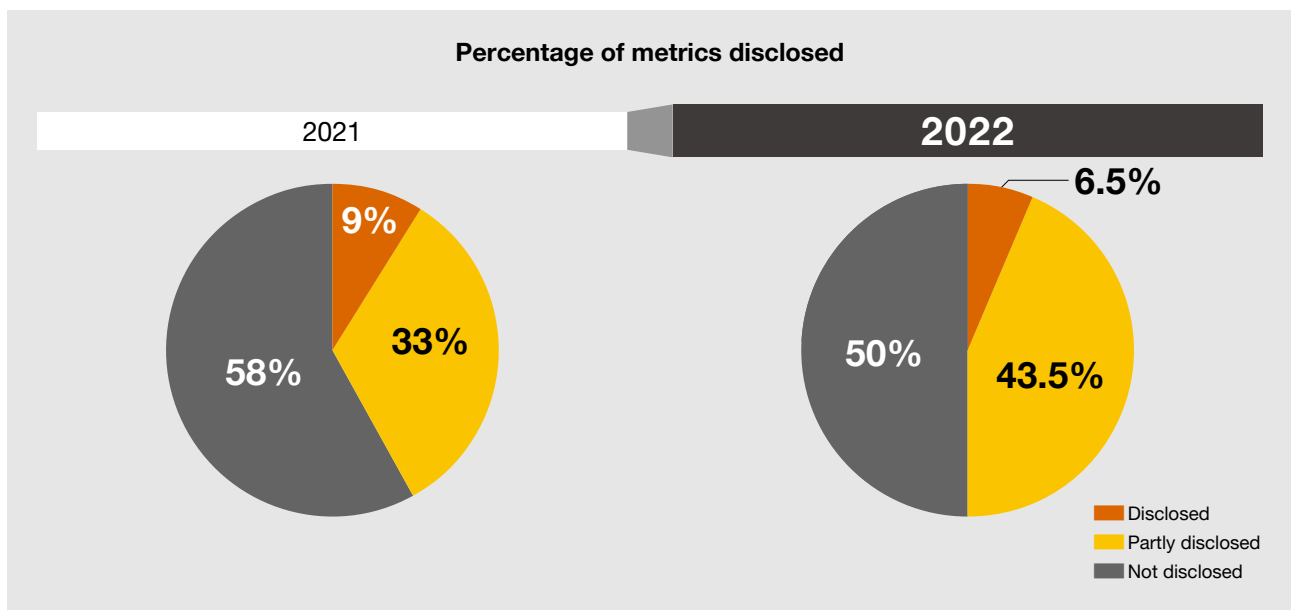
Note: Percentages are rounded up, so the numbers may not total 100%.

3. Disclosure of metrics

Overall trends

We investigated the extent to which the metrics defined in the SASB Standards are provided in disclosures by TOPIX 100 companies. The number of metrics based on the SASB Standards varies from industry to industry, but there are approximately 10 to 20 metrics per industry, and in total 1,289 metrics apply to TOPIX 100 companies.

In our research, we compared disclosures of metrics last year and this year, in terms of full disclosure, partial disclosure, and no disclosure. We found that 50% of metrics were fully or partially disclosed this year, an increase of 8 percentage points from 42% last year.

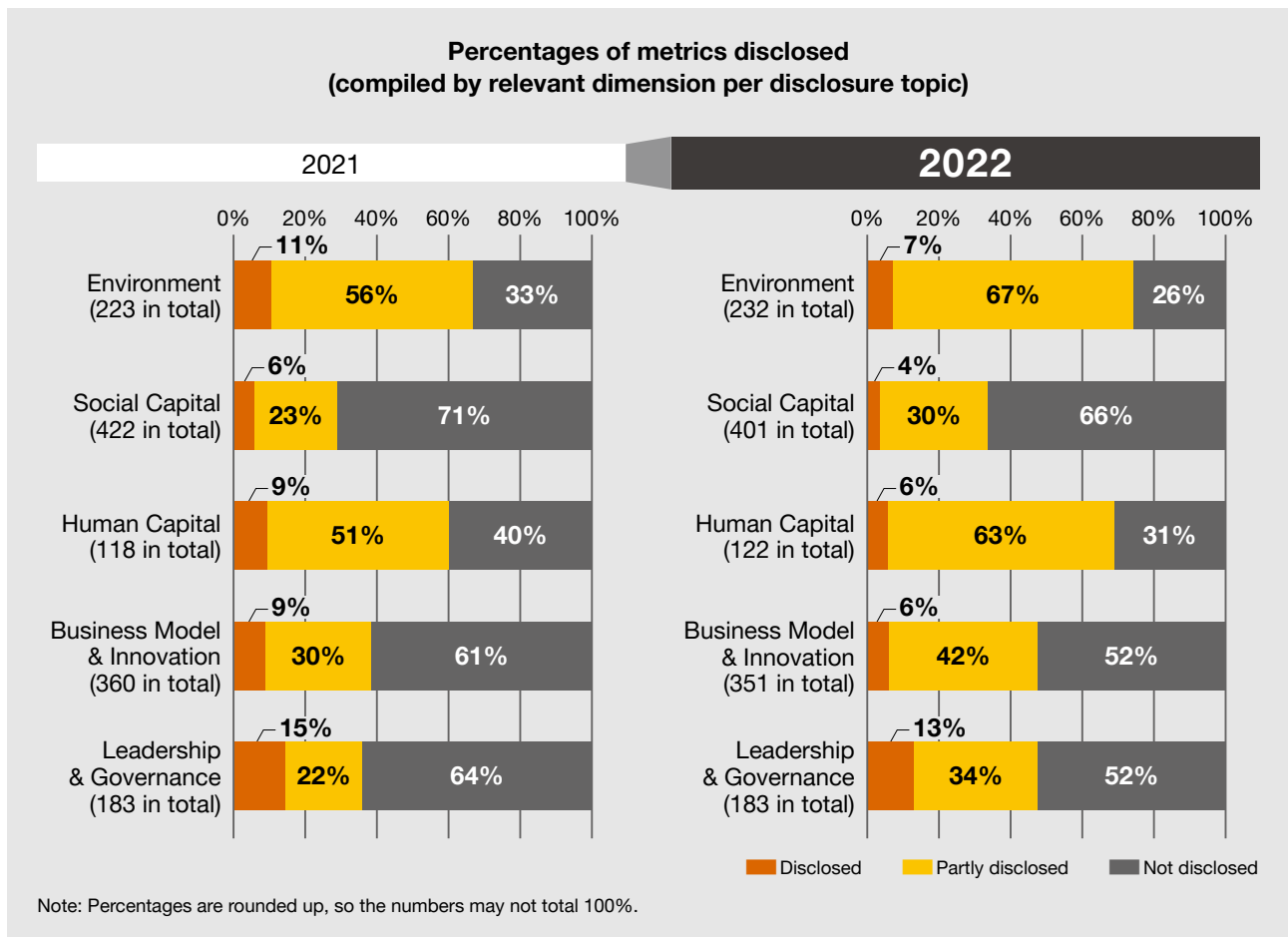


By compiling the survey results by dimension, our analysis was able to confirm the factors that drove the increase from 42% to 50% in the percentage of metrics partially or fully disclosed this year. Two dimensions were major factors in boosting overall numbers: Business Model & Innovation, and Leadership & Governance.

Looking at dimensions, as with last year, we found disclosures were highest for Environmental metrics. On the other hand, disclosures were low for Social Capital, and for Business Model & Innovation. The number of

metrics required by the SASB Standards is large, and the overall disclosure situation this year is similar to last year. As with last year, there is considerable room for improvement in disclosures on Social Capital and on Business Model & Innovation.

Progress has been made this year with Business Model & Innovation, but as we found last year, there is still a lot of room for improvement in the disclosure of metrics in this dimension.



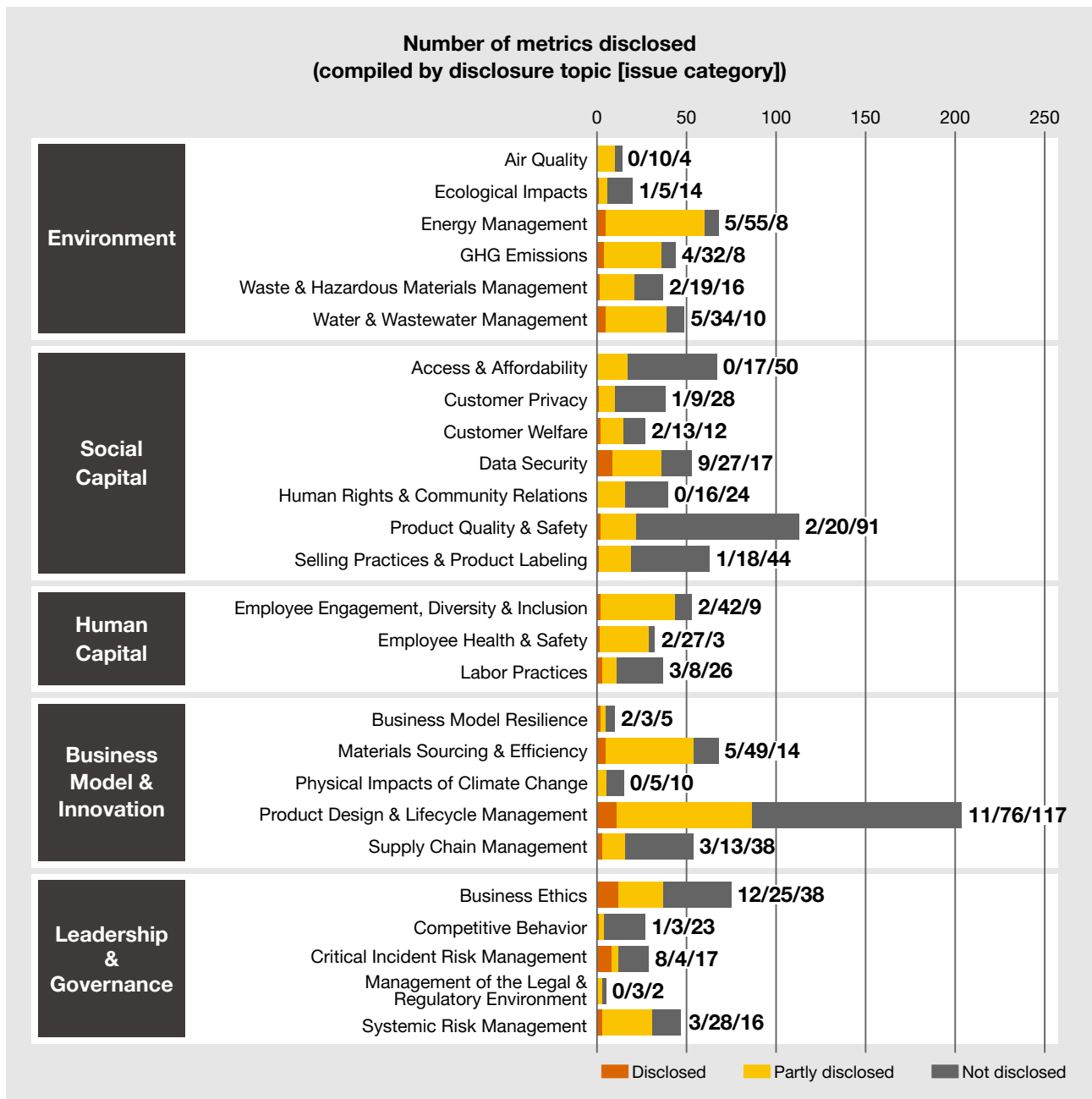
Trends by disclosure topic

As mentioned above, when compiled by dimension, the SASB Standards call for disclosure on a large number of metrics for Social Capital, and for Business Model & Innovation. There is a lot of room for improvement on these dimensions.

When looking at the deeper level of disclosure topics, the SASB Standards call for a number of metrics for disclosure topics of Product Quality & Safety (Social Capital dimension) and Product Design & Lifecycle Management (Business Model & Innovation), and these

disclosure topics were found to have a lot of room for improvement.

Meanwhile, Product Design & Lifecycle Management is one of the disclosure topics that has seen significant progress this year. Compared with last year's survey, excluding the impacts of factors such as changes in how SASB classifies a company's industry, and the composition of TOPIX 100 companies, when compiling disclosure topics (issue categories), this was one where significant progress was made.

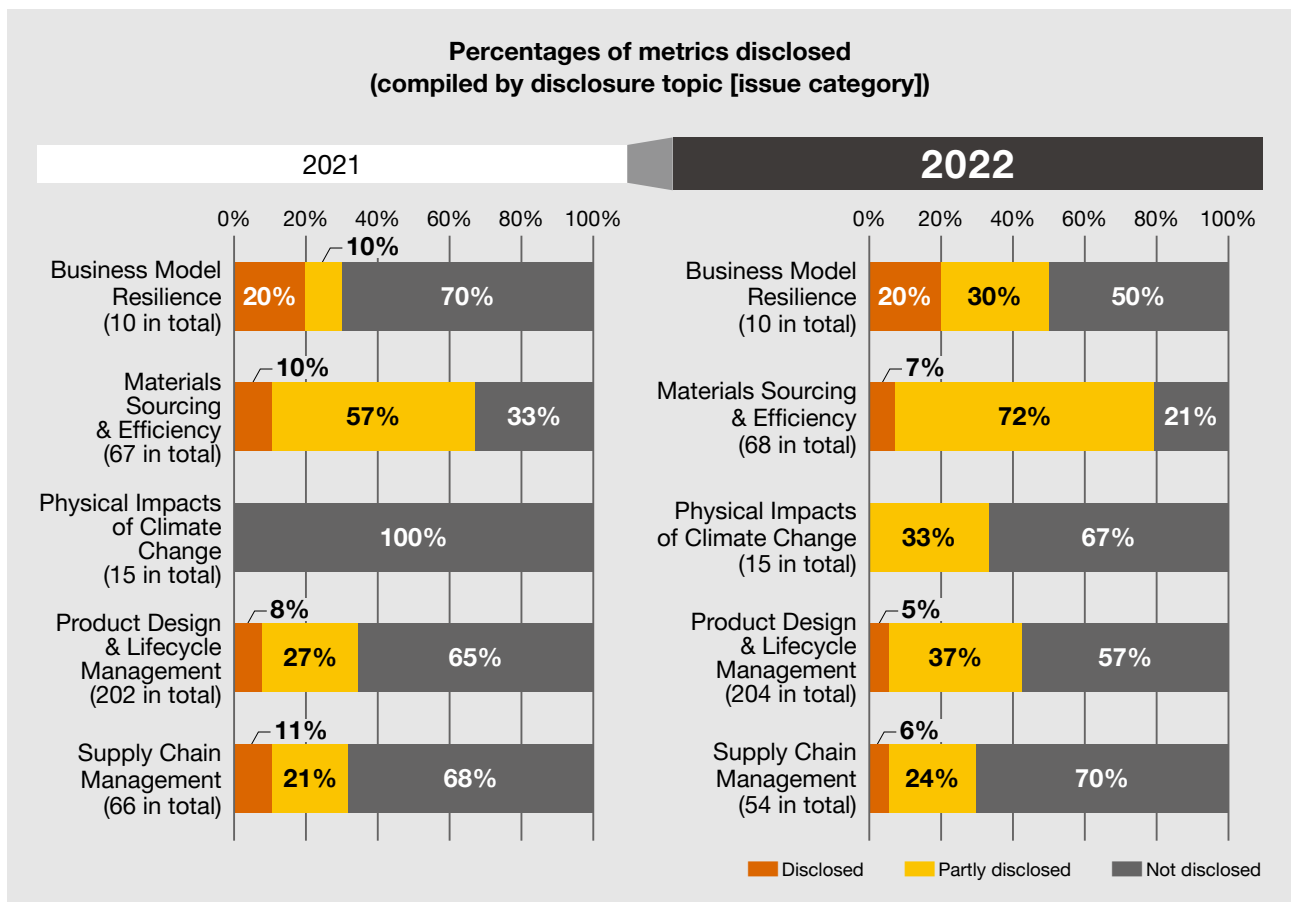


Trends by disclosure topic – Business Model & Innovation dimension

We took a closer look at the Business Model & Innovation dimension, which saw significant progress in this year’s survey results.

In this dimension, in addition to the issue category of Product Design & Lifecycle Management, progress was also made this year in disclosures of metrics for Materials Sourcing & Efficiency.

In terms of sectors and industries, in the Business Model & Innovation dimension, excluding the impacts of factors such as changes in how SASB classifies a company’s industry, and the composition of TOPIX 100 companies, the Insurance industry (Financials sector) was found to have made significant progress since last year’s survey.

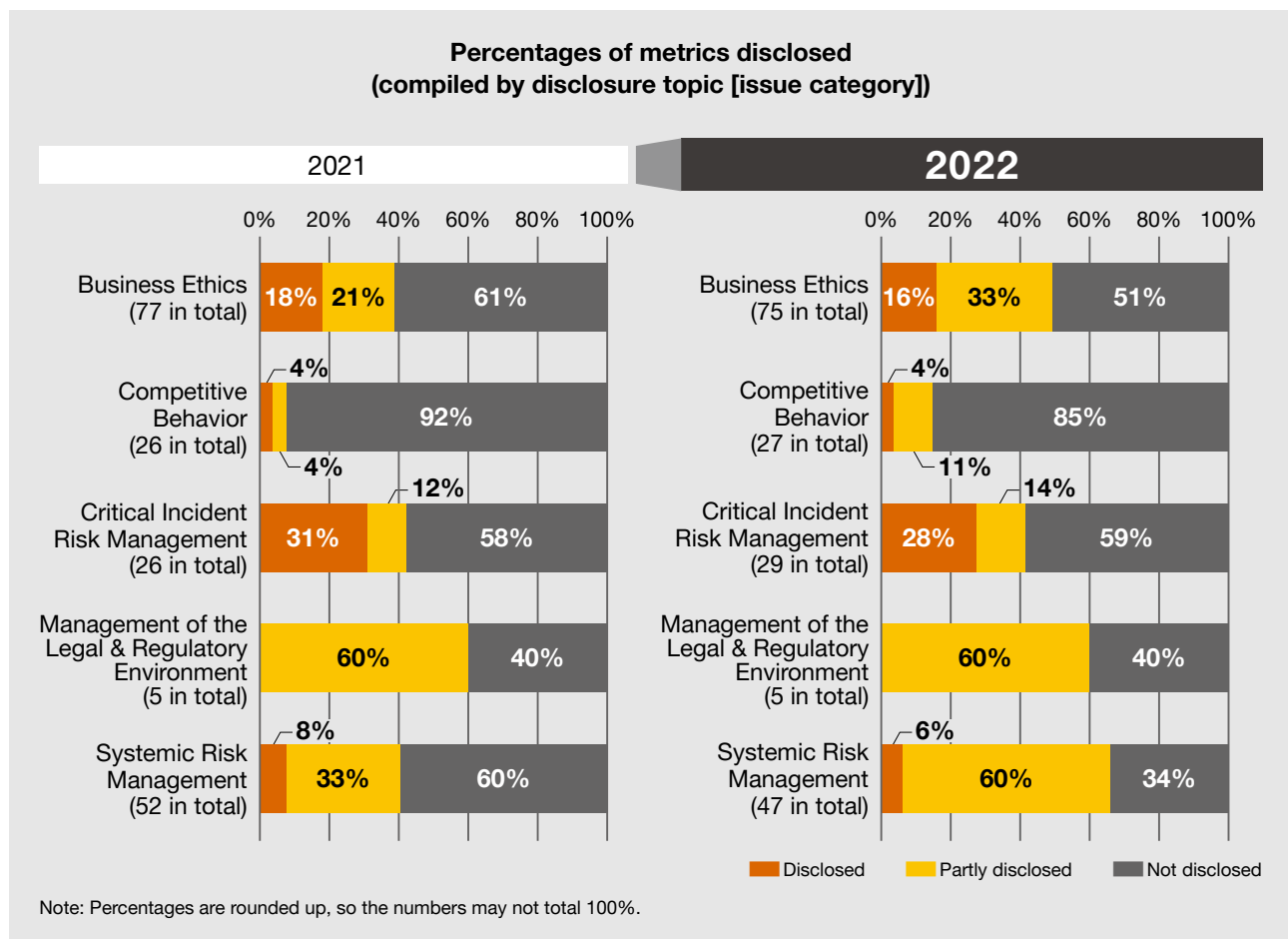


Trends by disclosure topic – Leadership & Governance dimension

We also took a closer look at the Leadership & Governance dimension, where some progress is evident in this year's survey results.

In this dimension, since last year's survey there has been some progress in the issue categories of Systemic Risk Management and Business Ethics.

In terms of sectors and industries, in this dimension, excluding the impacts of factors such as changes in how SASB classifies a company's industry, and the composition of TOPIX 100 companies, as with the Business Model & Innovation dimension, the Insurance industry (Financials sector) made significant progress since last year's survey.



Characteristics of metrics

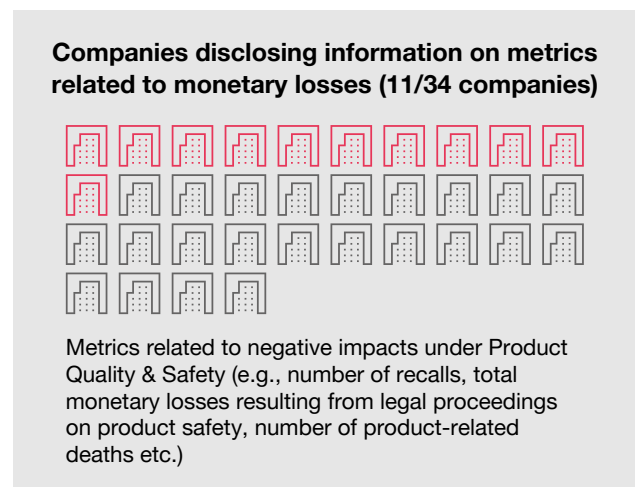
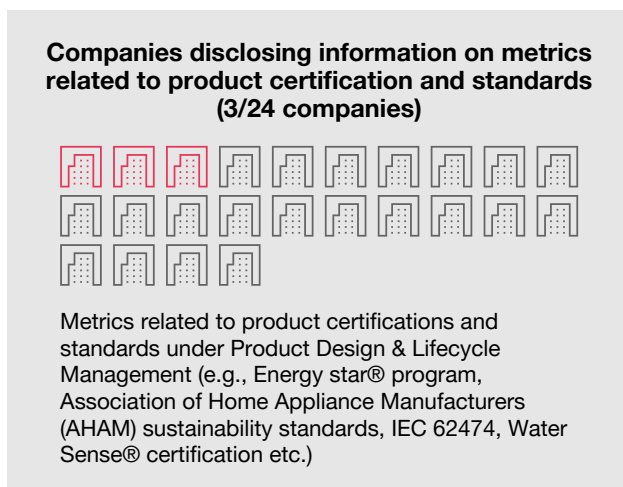
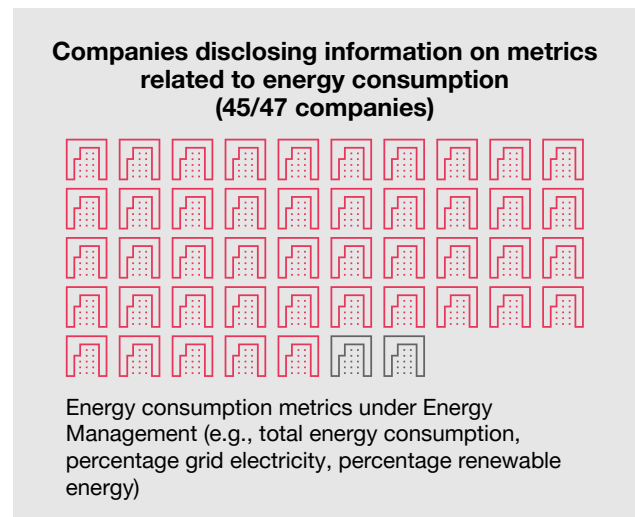
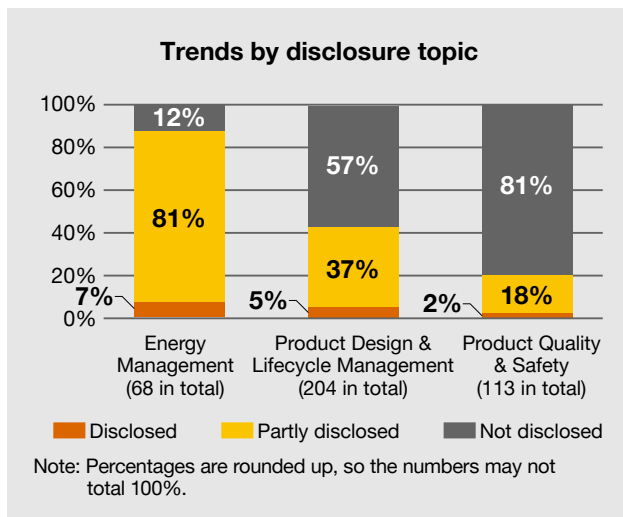
The characteristics of metrics included in disclosure topics are one driver of the trends observed to date, by disclosure topic. As in the previous year, we confirmed differences in characteristics, focusing on the following three types of metrics.

- Metrics related to energy consumption (Energy Management disclosure topic)
- Metrics related to product certifications and standards (Product Design & Lifecycle Management disclosure topic)
- Metrics related to monetary losses (Product Quality & Safety disclosure topic)

The following aggregate results show that some metrics are easy for Japanese companies to use (easy to disclose on) and others are difficult to use (difficult to disclose on).

- With regard to metrics related to energy consumption, which are relatively well disclosed, 45 of the 47 target companies disclose related information.
- Only 3 out of the 24 target companies disclose relevant information under the metrics related to product certifications and standards, which call for disclosure of the percentage of sales of eligible products under the Energy Star program, which is a product certification and standards program.
- Only 11 out of the 34 target companies disclose relevant information under metrics related to monetary losses, which call for disclosure of the number of recalls and the number of product-related deaths.

Regarding the characteristics of the metrics, the revision process being promoted by the ISSB to improve the international applicability of the non-climate-related SASB Standards metrics is expected to make disclosure easier for Japanese companies. In the formulation of IFRS S2 Climate-related Disclosures, the international applicability of climate-related SASB Standards metrics has already been improved. For example, the description of Product Standards and Certification-related metrics has been changed from 'Energy Star' to 'Energy efficiency certification,' making the metrics easier for companies to use.



Appendix: Status by sector/industry

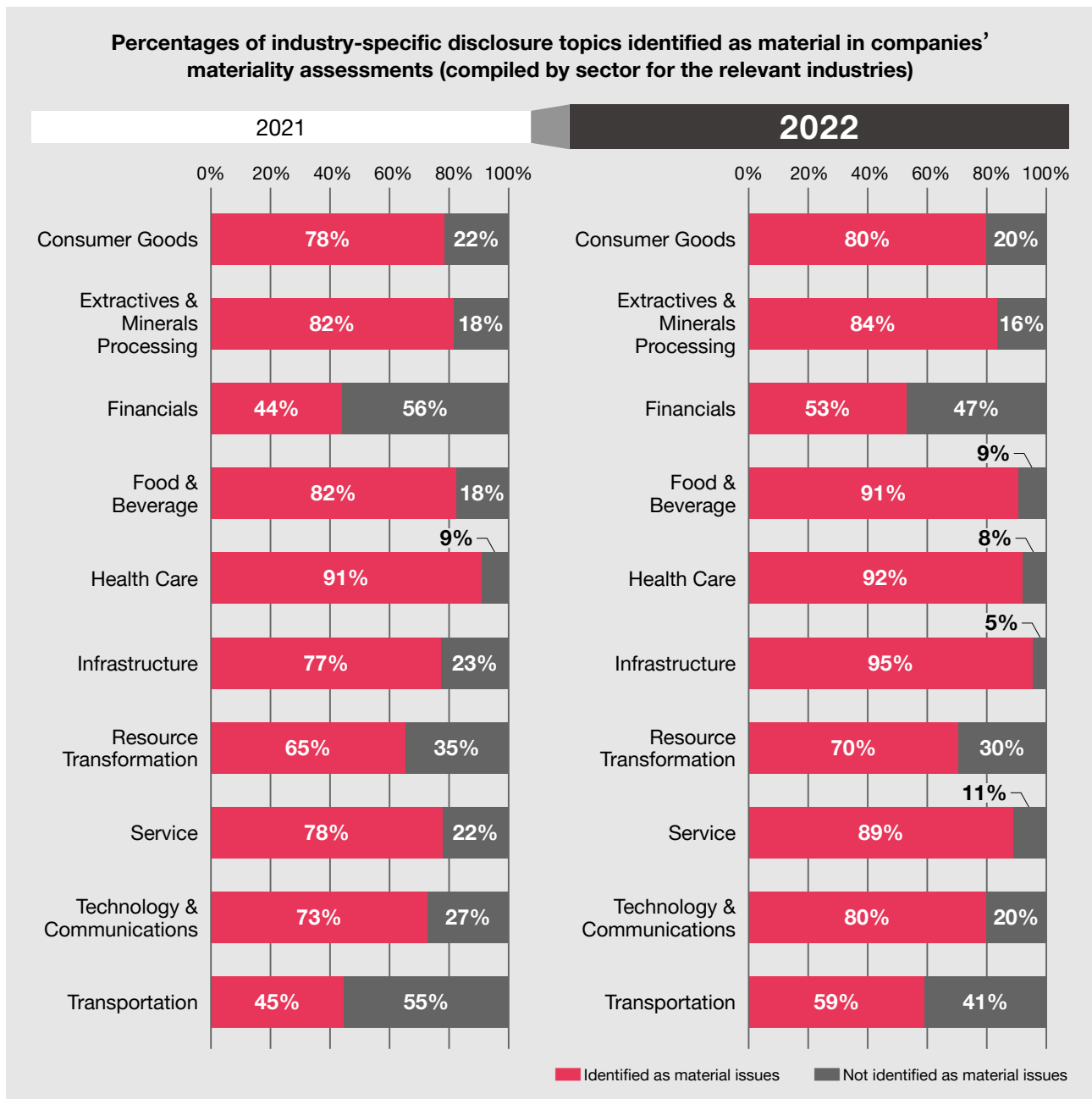
Sector-by-sector progress in disclosure

Looking at alignment between the SASB Standards and material issues identified by companies, as well as the sector-by-sector status of metric disclosure, we could not discern any particularly notable difference based on the survey findings of last year versus this year.

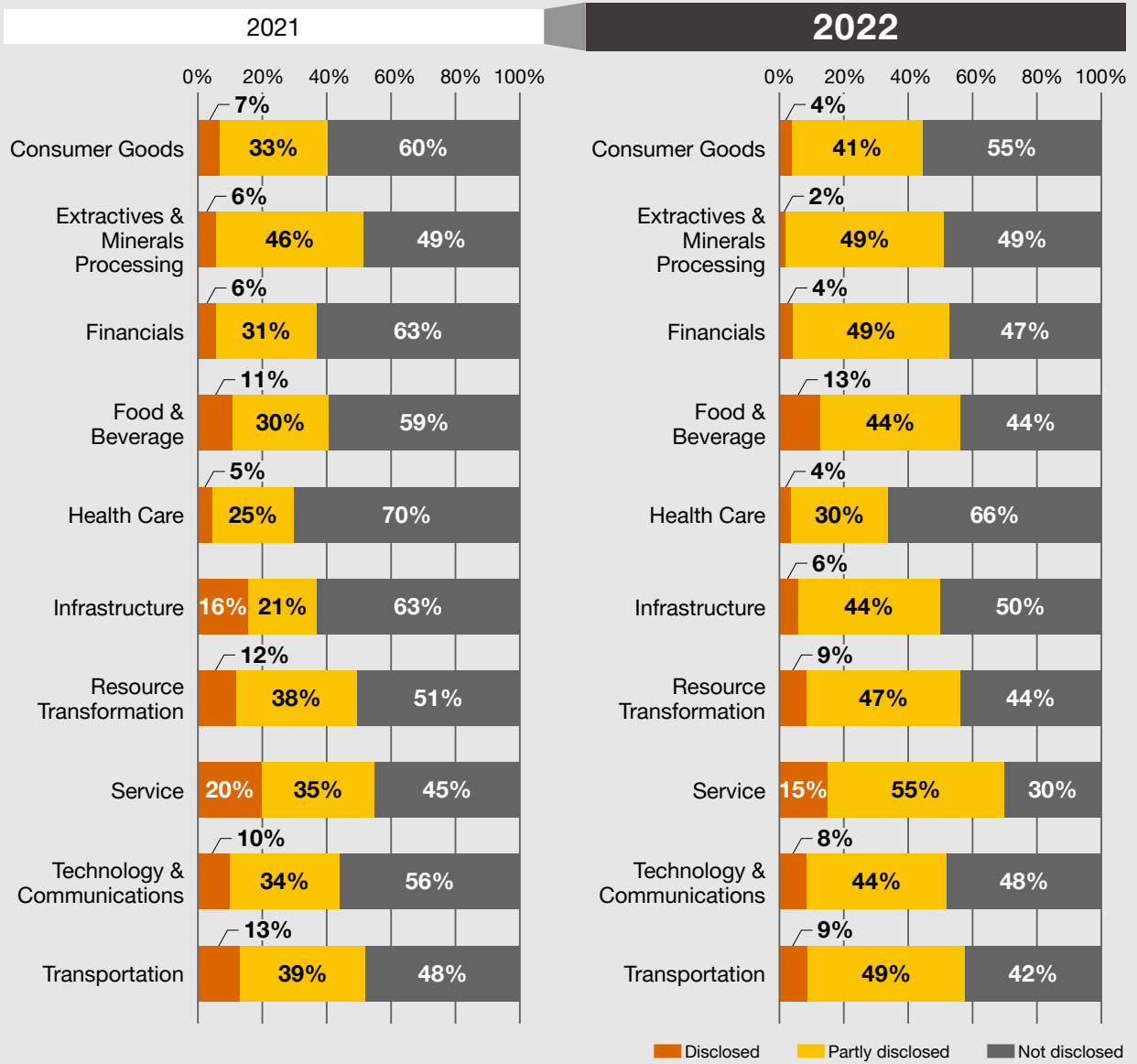
Comparing this year's results with last year's, we note slight differences from sector to sector in alignment and progress of disclosure. Excluding the impacts of factors such as changes in how SASB classifies a company's industry, and the composition of TOPIX 100 companies, significant progress was made in the Transportation sector in terms of the alignment of material issues identified by companies based on the SASB Standards.

The Financials sector and the Resource Transformation sector made significant progress in the disclosure of metrics.

Looking at alignment between SASB Standards and material issues identified by companies, by sector, down to the industry level, we found that in the Transportation sector, the Automobiles industry made significant progress. Similarly, looking at changes in the disclosure of metrics, significant progress was made in the Insurance industry (Financials sector) and in the Electrical & Electronics Equipment industry (Resource Transformation sector).



**Percentages of metrics by disclosure status
(compiled by sector for the relevant industries)**



Note: Percentages are rounded up, so the numbers may not total 100%.

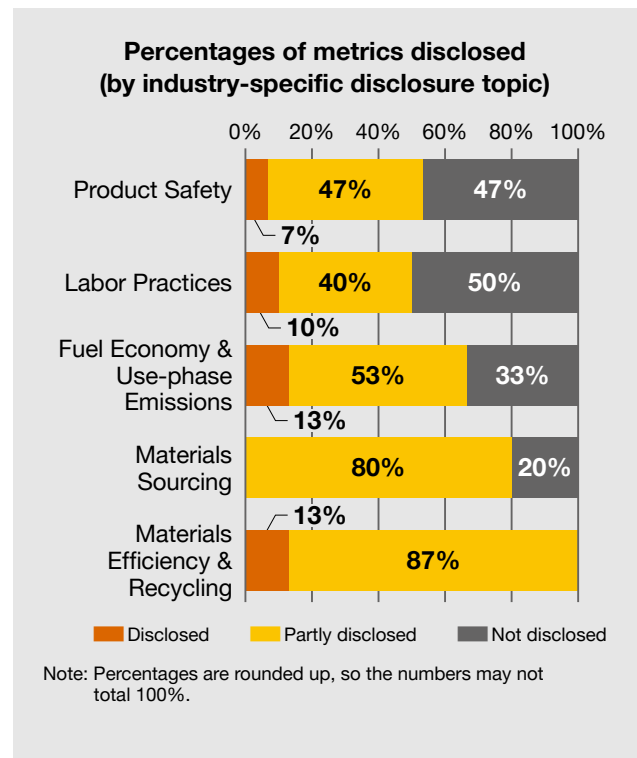
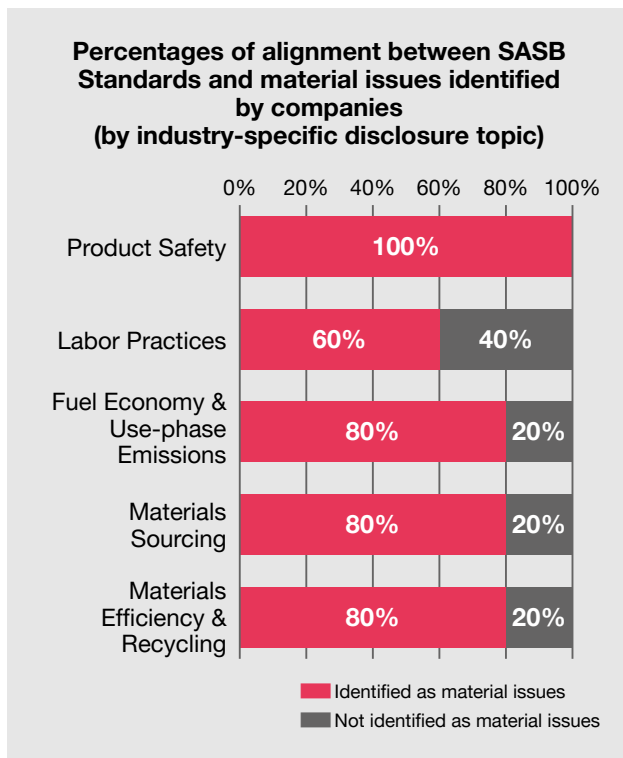


Status of industries that have made progress this year

In the Automobiles industry, our survey this year found 80% 'Alignment between SASB Standards and material issues identified by companies,' higher than the overall average (76%). The ratio for 'disclosure of metrics' was 70%, which is also higher than the overall average (50%).

From our survey results this year, this industry contributed significantly to the increased numbers for 'Alignment between SASB Standards and material issues identified by companies' and also contributed to the increased numbers for 'Disclosure of metrics.'

Automobiles



In the Insurance industry, the survey this year showed 48% 'Alignment between SASB Standards and material issues identified by companies,' lower than the overall average (76%).

The 52.9% for 'Disclosure of metrics' was nearly the same as the overall average (50%). However, this industry also contributed significantly to increased numbers for 'Disclosure of metrics' in the survey results this year, and

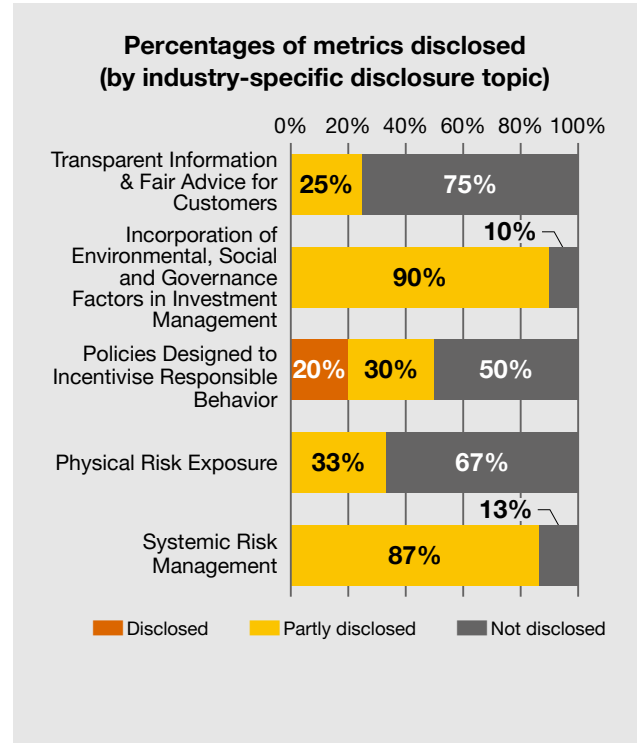
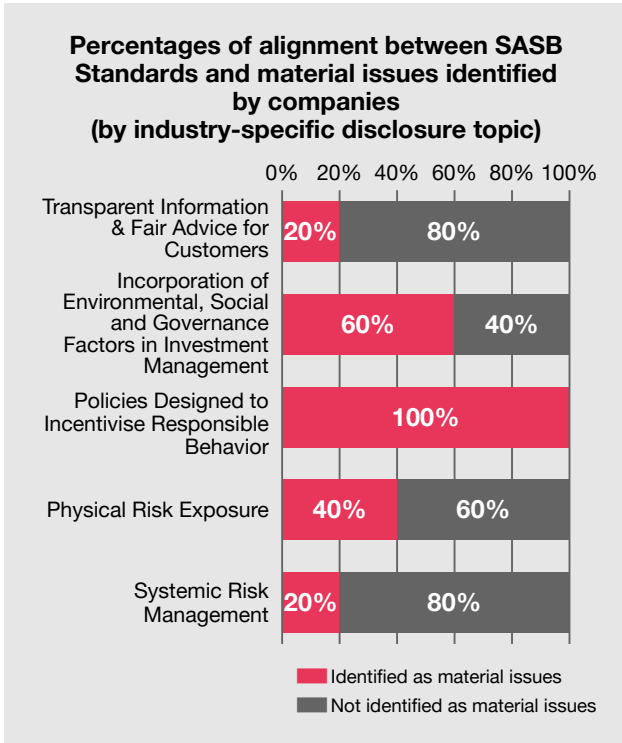
to increased numbers for 'Alignment between SASB Standards and material issues identified by companies.'

In the Electrical & Electronic Equipment industry, our survey this year found 66.7% 'Alignment between SASB Standards and material issues identified by companies,' which is lower than the overall average (76%).

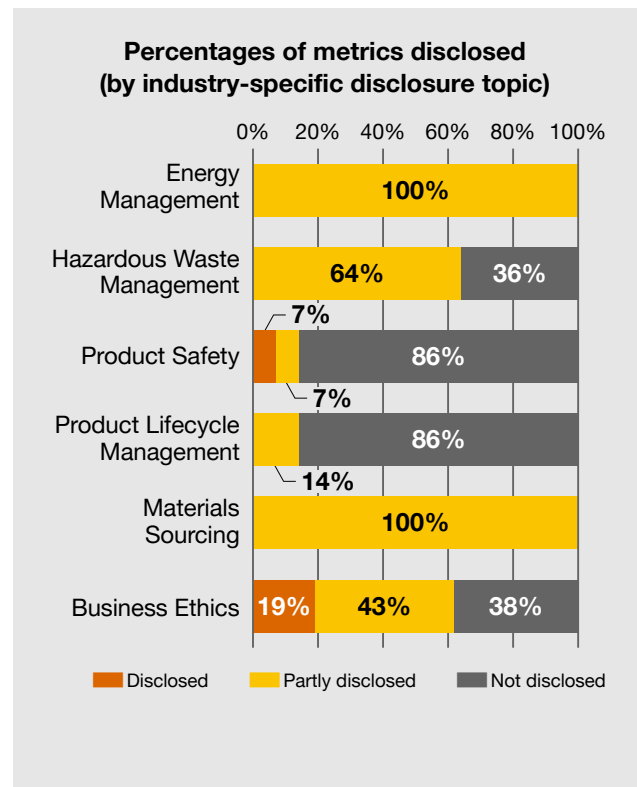
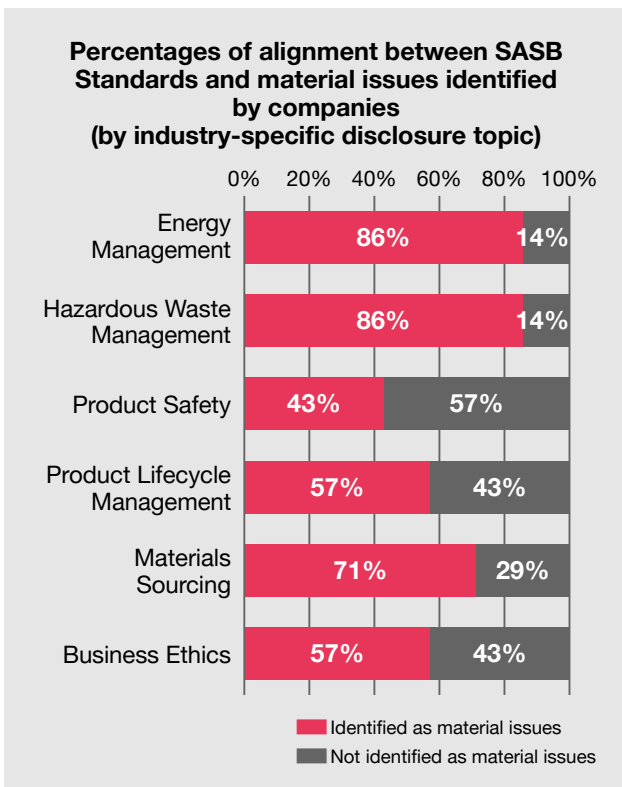
The 50% for 'Disclosure of metrics' matches the overall average (50%). In the survey results this year, that industry together with the Insurance industry contributed to an increase in numbers for 'Disclosure of metrics.'



Insurance



Electrical & Electronic Equipment

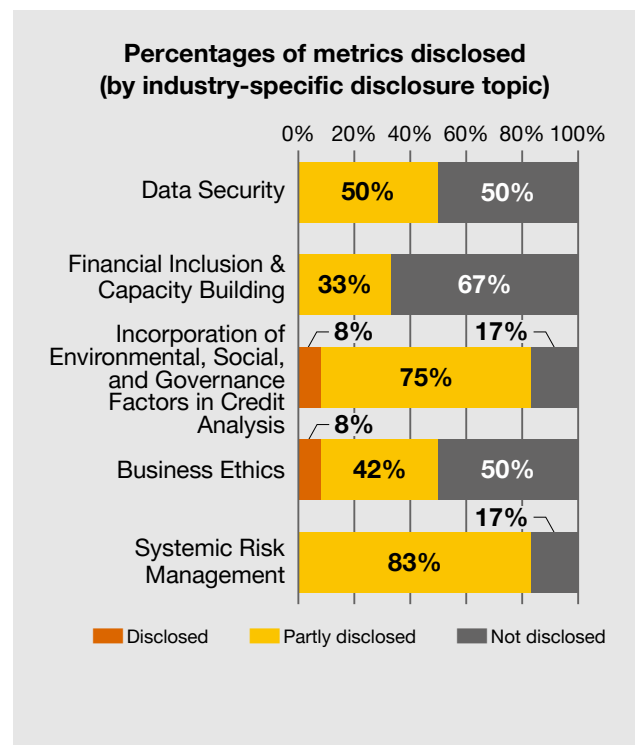
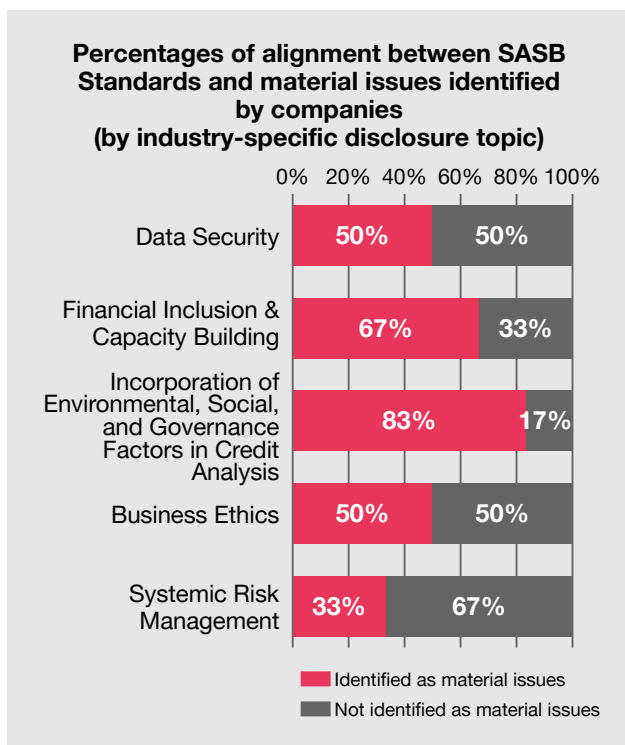


Below is the situation for three industries (Commercial Banks, Biotechnology & Pharmaceuticals, and Medical Equipment & Supplies) from among those for which SASB content indexes were disclosed for the first time in this year's survey.

The Commercial Banks industry had a very high proportion of companies preparing SASB content indexes,

with five out of six companies doing so. Our survey this year found 56.7% 'Alignment between SASB Standards and material issues identified by companies,' which is lower than the overall average (76%), while the 55.6% for 'Disclosure of metrics' is higher than the overall average (50%).

Commercial Banks

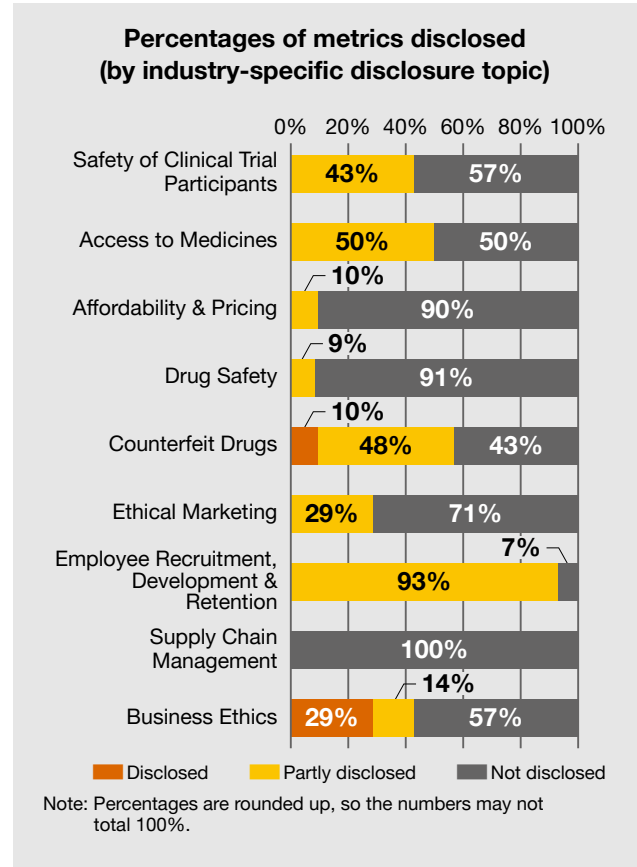
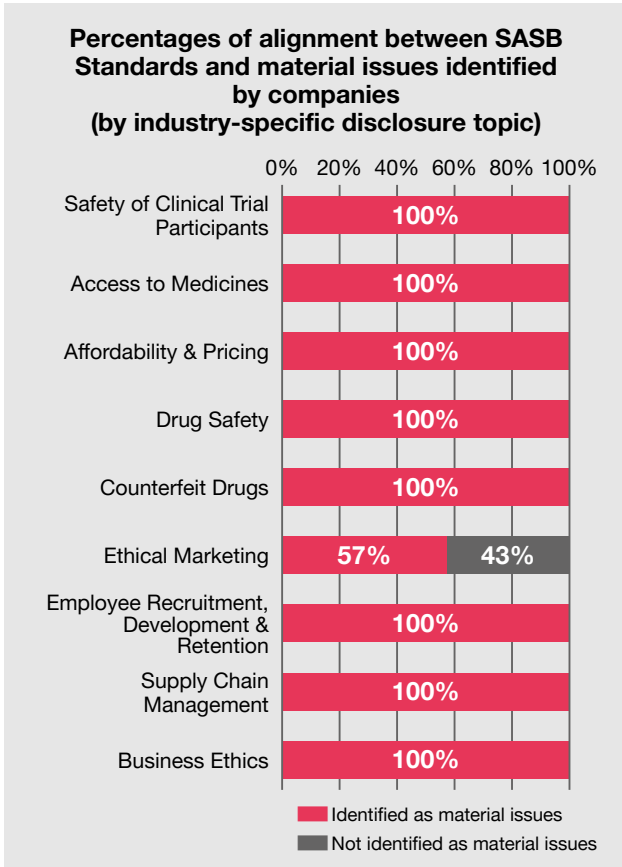


In this year's survey some companies in the Biotechnology & Pharmaceuticals industry, and the Medical Equipment & Supplies industry disclosed SASB content indexes. Further progress is expected in the future. Under the ISSB's process of revising the SASB Standards to improve their international applicability, one-third of the metrics that are proposed to change are

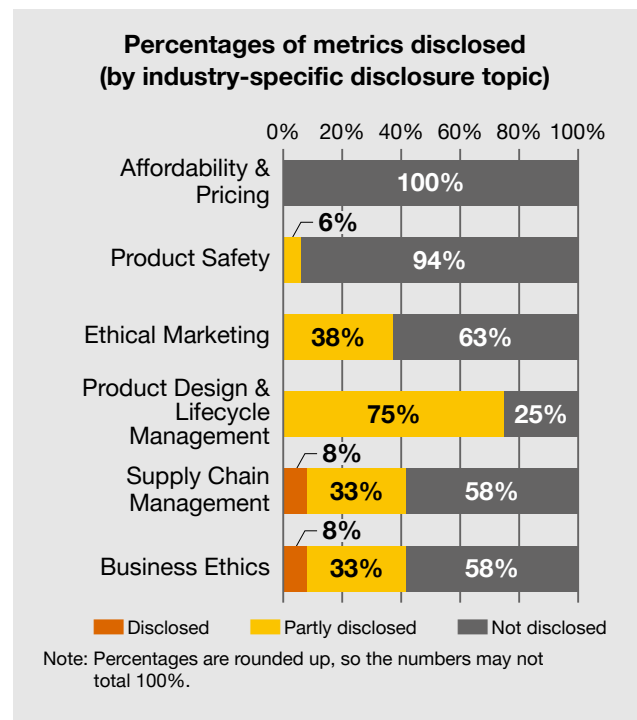
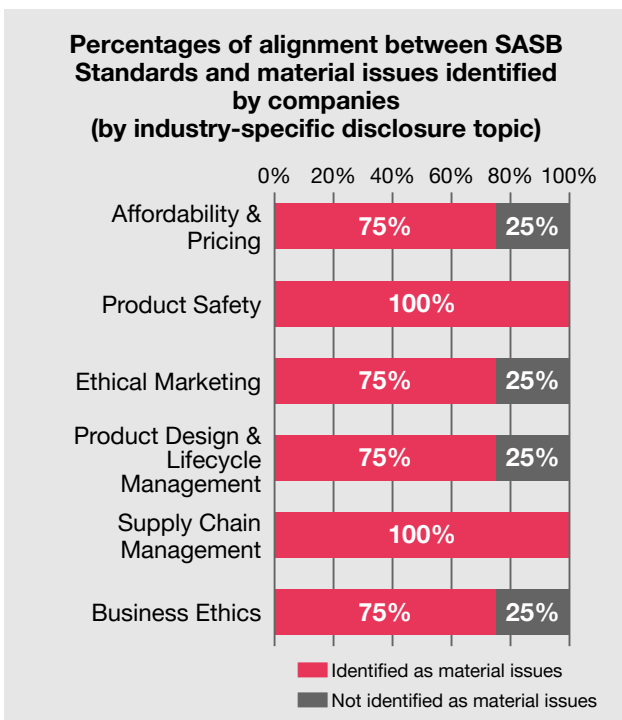
concentrated in the Health Care and Financials sectors. Industries belonging to both sectors include Insurance, Commercial Banks, Biotechnology & Pharmaceuticals, and Medical Equipment & Supplies. In these industries, the SASB Standards may become easier for Japanese companies to use in the future.



Biotechnology & Pharmaceuticals



Medical Equipment & Supplies





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This report is a translation of 'サステナビリティ情報開示の進展', originally published by PwC Japan Group in September 2023. Although we have made every effort to provide an accurate translation, in the event of any differences in interpretation between this translation and the original, the original takes precedence.

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