

The Bank of Japan's Strategy on Climate Change

- Climate change is a global challenge and could have a broad impact into the future.
- Various entities in society and the economy need to actively play their roles.



The Bank, with an intention of furthering its efforts on climate change consistent with its mandate of achieving price stability and ensuring the stability of the financial system, decided the comprehensive strategy.

Monetary
policy

Financial
system

Research

International
finance

Operations
&
communication



The impacts of climate change on economic activity, prices, and the financial system are highly uncertain and could greatly vary over time.

➔ The Bank will constantly review its measures and make adjustments where needed.

The Bank's Measures to Further Its Efforts on Climate Change

Monetary policy

- Implement a new fund-provisioning measure to support FIs' various efforts to address climate change.

Financial system

- Stability of the financial system: identify & manage climate-related financial risks.
- Smooth-functioning of financial intermediation: support FIs for their customers' decarbonization.
 - ➔ Discussions with FIs through on-site examinations & off-site monitoring / scenario analysis / FIs' disclosures.

Research

- Deepen the analysis on climate change impact. Improve data and analytical tools.
- Examine market functioning & consider issues relevant to payment systems and market infrastructures.

International finance

- Contribute to developing responses to climate change & climate-related financial risks.
- Promote investment in climate-related financial products as part of international financial cooperation in Asia.
- Purchase green bonds issued by foreign governments based on the Bank's management principles.

Operations & communication

- Undertake operations by paying due consideration to climate change (e.g., reduction in GHG emissions).
- Make TCFD-consistent disclosures & enhance the Bank's communication on climate-related conducts.