

Nippon Steel Corporation: Climate Policy Engagement Overview

An investor briefing on Nippon Steel's climate policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- Investors have filed a shareholder resolution on Nippon Steel around climate change. Part of the resolution calls for disclosure and review of the company's climate policy engagement.
- [Nippon Steel](#) is a highly influential company in Japan. InfluenceMap's analysis finds that the company and its key industry associations have engaged negatively and strategically on various climate-related policies in Japan and globally.
- Nippon Steel has not published a fully transparent account of its policy positions and industry associations. Its current disclosure is found to fall significantly short of investor expectations outlined in the [Global Standard on Responsible Climate Lobbying](#).
- This note relates to data / content only on Nippon Steel's climate policy engagement which is Part 3 of the pending shareholder resolution.

- **Context:** On June 21, 2024, Nippon Steel Corporation (Nippon Steel) investors will vote on a [shareholder resolution](#) requesting the company to "disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goals of carbon neutrality by 2050 and explain the actions it will take if these activities are determined to be misaligned." This briefing provides a summary of InfluenceMap's assessment of Nippon Steel's climate policy engagement and related disclosures.
- **Direct Climate Policy Engagement (advocacy carried out by the company itself):** InfluenceMap analysis suggests that Nippon Steel's direct climate policy engagement is misaligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. Nippon Steel is often unsupportive of renewable energy policies while pushing for the continuation/construction of fossil fuel thermal power plants in Japan, as evidenced by [comments](#) in a May 2024 government hearing on the upcoming 7th Strategic Energy Plan, Japan's principal energy policy. Nippon Steel appears to [conditionally support](#) the government's recently proposed growth-oriented carbon pricing

scheme after consistently opposing carbon pricing policies in Japan such as the [carbon tax](#) and [emissions trading](#) from 2018-2022.

- **Indirect Climate Policy Engagement via Industry Associations (advocacy carried out on behalf of a company by third-party groups, including industry associations):** InfluenceMap analysis indicates that Nippon Steel likely holds memberships to 2 industry associations with active¹ climate policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 8 industry associations with partially aligned active climate policy engagement (ranked B- to D+). Most notably, Nippon Steel holds executive positions in the [Japan Business Federation \(Keidanren\)](#) and [Japan Iron and Steel Federation \(JISF\)](#), which are both strategically engaged and have shown evidence of negative engagement on key climate policies in Japan and abroad. A summary of recent engagement by Nippon Steel's industry associations can be found in Table 3.

- **Accuracy of Climate Policy Engagement Disclosure:** InfluenceMap analysis suggests that Nippon Steel has not published a fully transparent account of its climate policy engagement on specific policies, both directly and via industry associations. Nippon Steel has published a [partial account](#) of its positions and engagement with some reference to specific climate-related policies in Japan, including the Green Transformation (GX) Promotion Act. However, Nippon Steel's disclosure on its positions on the energy mix and other specific climate-related policies is limited to top-line climate statements, and appears to exclude instances of direct climate policy engagement identified by InfluenceMap's database, such as engagement with Japan's [growth-oriented carbon price](#), [carbon tax](#), [emissions trading system](#), and [circular economy policy](#). Additionally, Nippon Steel has published a [incomplete account](#) of its industry association memberships and indirect climate policy engagement through Keidanren, JISF, and the [World Steel Association \(worldsteel\)](#). However, this disclosure is limited to top-line climate statements without reference to specific climate policies for which InfluenceMap has identified evidence of engagement. Nippon Steel's disclosure also appears to exclude its memberships to 7 other industry associations which are actively engaged on climate policy, including the [Japan Carbon Frontier Organization \(JCOAL\)](#), [Central Japan Economic Federation \(CJEF\)](#), and [Japan Association of Corporate Executives \(Keizai Doyukai\)](#).

- **Climate Policy Engagement Review:** Nippon Steel has not published a review of its climate policy engagement activities in line with standards put forward by institutional investors as part of the 2022 [Global Standard on Responsible Climate Lobbying](#). The Global Standard highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement.

¹ Industry associations with Engagement Intensity score of 12% or higher under InfluenceMap's assessment.

Context: Shareholder Resolution on Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the [Climate Action 100+](#) (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing, and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 500 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's [Guide for Responsible Corporate Engagement in Climate Policy](#) as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of Nippon Steel's direct and indirect climate policy engagement, along with its related disclosure and review processes, in advance of the shareholder resolution at its Annual General Meeting (AGM) on June 21, summarized in Table 1 below.

Table 1: Key information for shareholder resolution at Nippon Steel's 2024 AGM

Resolution: Annual disclosure and review of direct and indirect climate-related policy positions and lobbying activities			
Lead Filer:	Legal & General Investment Management (LGIM) and the Australasian Centre for Corporate Responsibility (ACCR)	AGM Date:	June 21, 2024
Proposal Summary: <i>The full resolution is available here.</i>	Shareholder Proposal 3: The following clause shall be added to the Articles of Incorporation: "The Company shall disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally, including its own direct lobbying and industry association memberships, and review these for alignment with the Company's goals of carbon neutrality by 2050 and explain the actions it will take if these activities are determined to be misaligned."		

Summary of Nippon Steel's Climate Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

InfluenceMap's methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of Nippon Steel, including access to the underlying data which forms this assessment, can be found [here](#). The analysis of Nippon Steel's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of Nippon Steel

Nippon Steel Corporation		
Performance Band	D	Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	40%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	53%	Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment, while scores between 50 and 74 indicate mixed alignment with the Paris Agreement.
Engagement Intensity	38%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of Nippon Steel's Direct Climate Policy Engagement

InfluenceMap's analysis of Nippon Steel's direct climate policy engagement is based on 349 independent datapoints, with 158 logged since 2022. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

Nippon Steel appears to have a mix of positive and negative top-line communications on climate policy.

- At a June 2023 [hearing](#) with the Japanese Ministry of Environment (MOE), Nippon Steel appeared to emphasize high costs involved with achieving carbon neutrality.
- At a June 2023 [hearing](#) with the Japanese Ministry of Economy, Trade, and Industry (METI), Nippon Steel advocated for increased government-led investment measures to respond to climate change, but did not specify a position on the need for other forms of regulation or government intervention.

After consistent attempts to weaken the carbon pricing policies in Japan between [2018-2022](#), Nippon Steel appears to conditionally support Japan's most recent growth-oriented carbon price, a hybrid concept comprised of a [carbon levy](#) which will be introduced in 2028 and voluntary, industry-led emissions [trading](#) from 2026.

- At a September 2022 [METI hearing](#), Nippon Steel appeared to not support a carbon tax, stating that "the taxation of industries [...] will deprive them of development resources" and "lead to the loss of international competitiveness."^{*}
- At a February 2023 [symposium](#) co-hosted by METI, Nippon Steel appeared to conditionally support Japan's growth-oriented carbon pricing scheme, so long as it does not discourage research and development.

Nippon Steel previously took mostly negative positions on Japan's Nationally Determined Contribution (NDC), which is expected to be revised in 2025.

- At a May 2021 [press conference](#), according to a Nikkei news report, then-President and current Chairman Eiji Hashimoto questioned the feasibility of Japan's 2030 46% GHG reduction target, appearing to suggest it would be "irresponsible" to adopt it at Nippon Steel.*

** Throughout this document, the citation of the quotes noted with an asterisk (*) are translated from Japanese language in which the original quote was made by the person concerned. This represents an unofficial translation and investors and other stakeholders relying on this translation are advised to utilize the URL noted showing the full original-language quote concerned for further confirmation.*

- At an April 2021 [MOE hearing](#), Nippon Steel took an unclear position on the 2030 target by accepting it as the government's intent to lead international efforts toward decarbonization, while stressing that further studies are needed to determine how it can be achieved.
- More recently, in a [media article](#) published by the Nikkan Kogyo Shimbun in January 2024, an advisor to Nippon Steel commended Japan's efforts towards meeting its 2030 GHG reduction target and highlighted a large gap in the global progress and the IPCC 1.5°C scenario; however, no position was taken on the revision of Japan's NDC.

Evidence suggests Nippon Steel does not support renewable energy policy, rather advocating for the government to support thermal energy alongside nuclear power.

- At a May 2024 [METI hearing](#) on Japan's upcoming 7th Strategic Energy Plan, a critical energy policy, Nippon Steel advocated for the construction of "efficient thermal power plants that contribute to CO₂ reduction" alongside nuclear power, while emphasizing "high hurdles to the introduction of renewable energy" and stating that "the expansion of renewable energy must be considered after confirming a firm economic agreement."*
- At a June 2023 [METI hearing](#), Nippon Steel emphasized "unfavorable" renewable energy costs while stating that "it is difficult for the industry to think of anything other than nuclear power."*
- Evidence suggests Nippon Steel has previously engaged to weaken the feed-in tariff (FIT) for renewable energy, such as in a November 2020 [METI hearing](#). In a [statement](#) on the Japan Iron and Steel Federation (JISF)'s website in January 2022, Hashimoto advocated for a "drastic review" of electricity rates, while emphasizing high costs of the FIT.*

IPCC Guidance on the Power Sector

Nippon Steel's messaging conflicts with the [IPCC's 2022 Mitigation of Climate Change report and IPCC's Special Report on Global Warming of 1.5 °C](#) which state that in pathways that limit warming to 1.5°C with no or limited overshoot by 2030, the share of gas in global electricity generation falls to an average 20.18%, and by 2050 approximately 8%. The share of coal falls to 7.28% by 2030 and virtually to zero by 2050. Furthermore, while the share of nuclear energy in the energy mix appears to increase in most IPCC 1.5°C pathways by 2050, the IPCC highlights the role of nuclear power in phasing out unabated fossil fuels and transitioning to a predominately renewables-based energy system.

The IPCC also emphasizes the need for hydrogen and ammonia to be produced from zero-carbon or extremely low-carbon energy sources, and offers limited guidance on their role in decarbonizing the power sector. For further citations of IPCC guidance see [Appendix II](#) of InfluenceMap's report.

Nippon Steel appears to have conflicting positions on steel decarbonization policy. While it supports the use of green hydrogen and green electricity for steel production, it also advocates for government measures to promote hydrogen, thermal power, and coking coal, with some ambiguity around their decarbonization.

- At a May 2024 [METI hearing](#), Nippon Steel supported the increased use of electric arc furnaces (EAFs) and the development of green hydrogen and green electricity infrastructure in steel production, but also appeared to promote the construction of thermal power plants alongside nuclear energy to power EAFs.
- According to a May 2024 [news report](#) by Reuters, Nippon Steel advocated to an Australian state government for the maintenance of coking coal supply.
- At a September 2023 [METI hearing](#), Nippon Steel supported policies and government funding to increase supplies of green hydrogen and green electricity for steel production, alongside coal and CCUS, stating that “minimal use of coal is required to ensure operational stability” but remaining ambiguous around timelines for a full transition to decarbonized production.*
- While Nippon Steel has explicitly supported the increased use and supply of green hydrogen for steelmaking, it occasionally remains ambiguous on the need to decarbonize hydrogen, for instance at a May 2023 [METI hearing](#).

Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap's LobbyMap platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This assesses each association's engagement against Paris-aligned benchmarks.

This section details InfluenceMap's analysis of some of Nippon Steel's key industry associations. A full ranking table of Nippon Steel's industry associations, including links to each association's online profile, is available in Appendix A.

- InfluenceMap analysis indicates that Nippon Steel likely holds memberships to 2 industry associations with active climate policy engagement misaligned with delivering the 1.5°C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system, and with an engagement intensity score of over 12%), and 8 industry associations with climate policy engagement partially aligned with delivering the 1.5°C goal of the Paris Agreement (ranked B- to D+, and with an engagement intensity score of over 12%).
- Nippon Steel holds executive positions in the [Japan Business Federation \(Keidanren\)](#) and [Japan Iron and Steel Federation \(JISF\)](#), which have both strategically engaged in opposition to key climate policies in

Japan and globally. For instance, Keidanren advocated for Japanese government investment in liquefied natural gas (LNG) at a May 2024 [METI hearing](#) and opposed Japan's existing global warming countermeasures tax and the introduction of a new carbon tax in a September 2022 [policy proposal](#) for fiscal 2023. InfluenceMap has tracked evidence of JISF consistently advocating in opposition to the carbon tax in Japan between [2019-2022](#). More recently, JISF appeared to not support the EU carbon border adjustment mechanism (CBAM) in a July 2023 [consultation response](#) to the European Commission and opposed the introduction of a CBAM in Australia in a December 2023 [consultation response](#).

- Keidanren and JISF are among the most highly engaged industry associations on Japanese climate and energy policy in InfluenceMap's database. Nippon Steel Chairman and CEO Eiji Hashimoto was the chairman of JISF until May 2022, and Nippon Steel President Tadashi Imai was elected as JISF Chairman in May 2024. Nippon Steel also appears to hold multiple executive positions within Keidanren; among these, Nippon Steel Chairman and CEO Hashimoto is a vice chair and director of Keidanren, and chairs its Industrial Competitiveness Committee. This role is of particular significance, as the Industrial Competitiveness Committee was [responsible](#) for compiling Keidanren's [policy proposal](#) on Japan's energy and industry policies, including the upcoming 7th Strategic Energy Plan, submitted to METI in March 2024. The [proposal](#) stated the intention to continue making recommendations to the government's industrial strategy for 2040, which has major implications for Japan's upcoming climate targets, energy mix, industrial decarbonization, and carbon pricing policies.
- Nippon Steel also holds executive positions in the [Japan Coal Frontier Organization \(JCOAL\)](#), [Central Japan Economic Federation \(CJEF\)](#), and the [World Steel Association \(worldsteel\)](#), which are actively engaged with climate policy. Amongst the most negatively engaged industry associations in Japan, JCOAL advocates for a continued role for coal in the Japanese energy mix. For instance, in a [policy proposal](#) submitted to the Japanese Agency of Natural Resources and Energy in January 2023, JCOAL advocated for investments and infrastructure enabling a continued role for coal through ammonia and biomass co-firing. CJEF has engaged negatively with Japan's energy mix, for instance, promoting hydrogen blending with fossil gas and ammonia co-firing with coal for power generation in a March 2023 [position paper](#). [Worldsteel](#) appears to have taken a mixed approach to climate change policy historically, but has become more positive in recent years.

Table 3 gives an overview of 3 key industry associations with examples of recent climate policy engagement. Detailed profiles for all of Nippon Steel's industry associations can be explored via the links in the table, Appendix A, or the "Details of Relationship Score" tab on Nippon Steel's [online profile](#).

Table 3: Evidence of recent climate policy engagement by Nippon Steel's key industry associations

Industry Association	Performance Band	Type of Membership	Examples of recent climate policy engagement
<i>Japan Iron and Steel Federation (JISF)</i>	E+	Nippon Steel President is Chairman of JISF	<ul style="list-style-type: none"> ■ December 2023: In a consultation response to Australia's carbon leakage review, JISF appeared to not support GHG emissions product standards for the steel industry. In the same consultation response, JISF opposed the introduction of a Carbon Border Adjustment Mechanism (CBAM) in Australia. ■ September 2023: In a policy proposal on Japan's fiscal 2024 tax reform, JISF advocated for tax exemptions for coking coal used in steel production. In the same proposal, JISF appeared to not support the introduction of a fossil fuel levy and emissions trading system. ■ July 2023: In a consultation response to the European Commission, JISF appeared to not support the EU CBAM, emphasizing the burden of reporting obligations and advocating for Japan's energy taxes to be deducted from EU imports. ■ February 2023: At a METI hearing, JISF appeared to support Japan's growth-oriented carbon pricing scheme, while emphasizing that the carbon tax and emissions trading policies proposed in previous government discussions would "deprive the industry of resources for technological development."*
<i>Japan Carbon Frontier Organization (JCOAL)</i>	E+	Nippon Steel Executive is a Board Trustee of JCOAL	<ul style="list-style-type: none"> ■ December 2023: At a METI hearing, JCOAL advocated for a slower-paced energy transition in Asia than advised by the IPCC, requesting government support for fossil fuel thermal power plants and biomass co-firing and ammonia co-firing with coal in emerging Asian countries. ■ June 2023: At a METI hearing, JCOAL advocated for a continued role for coal through the development of hydrogen and ammonia in Japan and other global regions. It also advocated for the use of coal in "iron, cement, and paper manufacturing industries while improving the efficiency of coal use."*

<p><i>Japan Business Federation (Keidanren)</i></p>	<p>C-</p>	<p>Chairman and CEO is a Vice Chair and Director of Keidanren, and Chairman of Keidanren's Industrial Competitiveness Committee</p> <p>Executives are Chairman of Keidanren's Environment Committee, and Honorary Chair of Keidanren</p>	<ul style="list-style-type: none"> ■ May 2024: At a METI hearing, while recognizing the need to reduce unabated thermal power, Keidanren advocated for the government to strengthen its involvement in infrastructure and investments for liquefied natural gas (LNG). ■ December 2023: At a press conference, Keidanren Chairman Tokura commended Prime Minister Kishida's policy to end the construction of coal-fired power plants in Japan with no emission reduction measures in place, but appeared to promote the expansion of ammonia co-firing with coal in the Global South while remaining unclear on its decarbonization. ■ September 2023: In a policy proposal for the fiscal 2024 tax reform, Keidanren appeared unsupportive of a carbon tax, advocating for a review of gasoline and other taxes, including the potential abolition of the Global Warming Prevention Tax.
<p><i>Central Japan Economic Federation (CJEF)</i></p>	<p>C-</p>	<p>Executive Officer is a Director of CJEF</p>	<ul style="list-style-type: none"> ■ March 2023: In a position paper published on its website, CJEF promoted hydrogen blending with fossil gas and ammonia co-firing with coal in power generation. ■ January 2023: In a policy proposal submitted to the Japanese Cabinet on the GX Basic Policy, CJEF advocated for government support for ammonia and hydrogen alongside nuclear energy, without specifying a position on decarbonizing hydrogen and ammonia production.

Disclosure and Review of Climate Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company's climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap's methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

Accuracy of Climate Policy Engagement Disclosure: An assessment of the accuracy of a company's reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that Nippon Steel has published a partial account of its own climate policy engagement on specific policies. In its [2023 Sustainability Report](#) published in October 2023, Nippon Steel has disclosed some of its engagement activities broadly, with some reference to specific government committee activities and climate-related policies in Japan, such as the Green Transformation (GX) Promotion Act. However, Nippon Steel's disclosure on its positions on the energy mix and other climate-related policies is limited to top-line climate statements, and appears to exclude instances of direct climate policy engagement identified by InfluenceMap's database. For example, Nippon Steel appeared to signal conditional support for Japan's growth-oriented carbon pricing policy in a symposium co-hosted by the Ministry of Economy, Trade, and Industry (METI) in [February 2023](#), and opposed the introduction of a [carbon tax](#) and [emissions trading system](#) at a METI hearing in February 2022. In addition, Nippon Steel has directly engaged with the Japanese government on [circular economy policy](#) and the energy mix, including [renewable energy](#) and [gas](#).
- InfluenceMap analysis suggests that Nippon Steel has published an incomplete account of its industry associations' climate policy engagement on specific policies. Nippon Steel discloses some details on its memberships and indirect climate policy engagement through JISF, Keidanren, and the World Steel Association (worldsteel) in its [2023 Sustainability Report](#). However, this disclosure is limited to top-line climate statements without reference to specific climate policies for which InfluenceMap has identified evidence of engagement. Nippon Steel's disclosure also appears to exclude its memberships to 7 other industry associations which are actively engaged on climate policy, including the [Japan Carbon Frontier Organization \(JCOAL\)](#), [Central Japan Economic Federation \(CJEF\)](#), and [Japan Association of Corporate Executives \(Keizai Doyukai\)](#).

Corporate Climate Policy Engagement Review: An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- Nippon Steel does not appear to have published a review of its climate policy engagement. [The Global Standard on Responsible Climate Lobbying](#) highlights the need for companies to publish a detailed annual review to ensure that its climate policy engagement (direct and indirect via industry associations) is consistent with the 1.5°C goal of the Paris Agreement. As of May 2024, [ArcelorMittal](#) is the only CA100+ steel company to have published a review. [Nissan](#) and [Toyota Motor](#) are the only CA100+ Japanese companies to have published a review.

InfluenceMap's assessment of Nippon Steel's disclosure and review process can be accessed [here](#).

Appendix A: Ranking of Nippon Steel's Industry Association Memberships

The table below provides a ranking of Nippon Steel's industry associations currently covered by InfluenceMap's database by Performance Band, i.e. a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- **Aligned** = Performance Band A+ to B
- **Partially Misaligned** = Performance Band B- to D+
- **Misaligned** = Performance Band D to F
- **Low Engagement** = Performance Band N/A

Industry Association	IM Performance Band	IM Assessment
Japan Association of Corporate Executives (Keizai Doyukai)	C+	Partially Misaligned
Japan Atomic Industrial Forum (JAIF)	C	Partially Misaligned
World Steel Association (worldsteel)	C	Partially Misaligned
Japan Electrical Manufacturers' Association (JEMA)	C-	Partially Misaligned
Japan Association for Logistics and Transport (JALoT)	C-	Partially Misaligned
Japan Business Federation (Keidanren)	C-	Partially Misaligned
Central Japan Economic Federation (CJEF)	C-	Partially Misaligned
Japan Chemical Industry Association (JCIA)	C-	Partially Misaligned
Japan Foreign Trade Council (JFTC)	D+	Partially Misaligned
Japan Society of Industrial Machinery Manufacturers (JSIM)	D+	Partially Misaligned
Japan Aluminium Association (JAA)	D+	Partially Misaligned
Japanese Shipowners' Association (JSA)	D+	Partially Misaligned

<i>Kansai Economic Federation</i>	D	Misaligned
<i>Japan Cement Association (JCA)</i>	D-	Misaligned
<i>Japan Iron and Steel Federation (JISF)</i>	E+	Misaligned
<i>Japan Carbon Frontier Organization (JCOAL)</i>	E+	Misaligned

Appendix B: Glossary

- **Alignment with science-aligned pathways to limit warming to 1.5°C** – InfluenceMap assesses the alignment of corporate climate engagement using reports from the Intergovernmental Panel on Climate Change (IPCC). As such, InfluenceMap defines "science-based climate policy" as the policies that align with pathways highlighted by the IPCC to deliver the Paris Agreement's goal of limiting global temperature rise to well below 2°C, with efforts toward 1.5°C.
- **The Global Standard on Responsible Climate Lobbying ("the Global Standard")** – the leading best practice framework for climate policy engagement disclosure, instigated by investors and launched in March 2022. InfluenceMap uses the Global Standard to benchmark its assessments under the Climate Action 100+ (CA100+) Net Zero Company Benchmark Indicators 2 and 3 of its *Climate Policy Engagement Alignment* assessment.
- **Real-World Climate Policy Engagement** – InfluenceMap's definition of "policy engagement" is based on the [UN Guide for Responsible Corporate Engagement in Climate Policy](#) (2013), which defines a range of corporate activities as engagement, such as advertising, social media, public relations, and direct contact and lobbying with regulators and elected officials. The alignment of this advocacy with science-based pathways to limit warming to 1.5°C are assessed under the CA100+ Net Zero Company Benchmark Indicator 1, *Real World Climate Policy Engagement*.
- **Climate Policy Engagement Disclosure** – a public disclosure of the direct and/or indirect (via industry associations) climate policy engagement activities undertaken by a company, often released annually as part of wider corporate sustainability reporting. The accuracy of these disclosures is assessed using InfluenceMap's proprietary database under the CA100+ Net Zero Company Benchmark Indicator 2, *Accuracy of Climate Policy Engagement Disclosure*.
- **Corporate Climate Policy Engagement Review ("review")** – reviews are a mechanism through which companies can assess the alignment of their direct and indirect (via industry associations) climate policy engagement activities with science-based pathways to limit warming to 1.5°C, and detail action they will take to address misalignments as they arise. The quality and robustness of these reviews is assessed under the CA100+ Net Zero Company Benchmark Indicator 3, *Corporate Climate Policy Engagement Review (Management of Misalignments)*.