



Excellent TCFD Disclosure Selected by GPIF's Asset Managers Entrusted with Foreign Equity Investment

Government Pension Investment Fund (GPIF) requested its 28 external asset managers entrusted with foreign equity investment (hereinafter, "external asset manager") to nominate "excellent TCFD disclosure".

GPIF requested external asset managers to nominate up to 5 companies as "excellent TCFD disclosure" and up to 3 companies each as "excellent disclosure of (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets", respectively. The result of the survey was compiled into two lists, comprised of 75 companies below selected for having excellent TCFD disclosure, and 110 companies in aggregate selected for excellent disclosure of each four TCFD disclosure shown in page 2.

[Companies nominated by two or more external asset managers for their excellent TCFD disclosure] (number of external asset managers)

◇ MICROSOFT CORP	(6)	◇ FORD MOTOR CO	(2)
◇ ENEL SPA	(5)	◇ JOHNSON & JOHNSON	(2)
◇ ANHEUSER-BUSCH INBEV SA	(2)	◇ PROCTER & GAMBLE CO	(2)
◇ CEMEX SAB DE CV	(2)	◇ SALESFORCE INC	(2)
◇ CITIGROUP INC	(2)	◇ SCHNEIDER ELECTRIC SE	(2)

[Companies selected by GPIF's external asset managers for excellent TCFD disclosure]

Company name	Number of nominations	Company name	Number of nominations	Company name	Number of nominations
ACCENTURE PLC	1	CVS HEALTH CORP	1	NORTHROP GRUMMAN CORP	1
ADVANCED MICRO DEVICES INC	1	DELL TECHNOLOGIES INC	1	PFIZER INC	1
ALPHABET INC	1	EASTMAN CHEMICAL CO	1	PROCTER & GAMBLE CO	2
ANHEUSER-BUSCH INBEV SA	2	ENEL SPA	5	PROLOGIS INC	1
AP MOLLER - MAERSK A/S	1	ENGIE SA	1	QBE INSURANCE GROUP LTD	1
ASTRAZENECA PLC	1	FORD MOTOR CO	2	REPSOL SA	1
AXA SA	1	GENERAL MOTORS CO	1	RIO TINTO PLC	1
BANK OF AMERICA CORP	1	GLENCORE PLC	1	ROYAL BANK OF CANADA	1
BAYERISCHE MOTOREN WERKE AG	1	GOLDMAN SACHS GROUP INC	1	SALESFORCE INC	2
BHP GROUP LTD	1	GSK PLC	1	SAMSUNG ELECTRONICS CO LTD	1
BLUESCOPE STEEL LTD	1	IBERDROLA SA	1	SCHNEIDER ELECTRIC SE	2
BP PLC	1	JERONIMO MARTINS SGPS SA	1	SSE PLC	1
BROOKFIELD RENEWABLE PARTNERS	1	JOHNSON & JOHNSON	2	STANTEC INC	1
CATERPILLAR INC	1	JPMORGAN CHASE & CO	1	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	1
CEMEX SAB DE CV	2	LOWE'S COS INC	1	THERMO FISHER SCIENTIFIC INC	1
CHEVRON CORP	1	MARATHON PETROLEUM CORP	1	TRADEWEB MARKETS INC	1
CISCO SYSTEMS INC	1	MASTERCARD INC	1	TRAVELERS COS INC	1
CITIGROUP INC	2	MEDTRONIC PLC	1	TRUIST FINANCIAL CORP	1
CLP HOLDINGS LTD	1	MICROSOFT CORP	6	UNILEVER PLC	1
COLGATE-PALMOLIVE CO	1	MONDELEZ INTERNATIONAL INC	1	UNION PACIFIC CORP	1
COMCAST CORP	1	MONDI PLC	1	VERMILION ENERGY INC	1
CORPORACION ACCIONA ENERGIAS RENOVABLES SA	1	NATIONAL AUSTRALIA BANK LTD	1	WALMART INC	1
COSTCO WHOLESALE CORP	1	NATIONAL GRID PLC	1	WELLS FARGO & CO	1
CRESCENT POINT ENERGY CORP	1	NATWEST GROUP PLC	1	WESTPAC BANKING CORP	1
CSX CORP	1	NESTLE SA	1	XYLEM INC	1

Note: The above list is composed of companies whose TCFD disclosure were selected by external asset managers as "excellent TCFD disclosure". (Listed in alphabetical order) The companies highlighted in blue were nominated by two or more external asset managers.

[Companies selected by GPIF's external asset managers for excellent disclosure of each four TCFD disclosure]

Company name	Number of nominations				Company name	Number of nominations			
	(1)	(2)	(3)	(4)		(1)	(2)	(3)	(4)
ACCENTURE PLC	1	1	-	1	JOHNSON & JOHNSON	-	-	-	1
ACCIONA SA	1	-	1	-	JPMORGAN CHASE & CO	1	-	1	1
ADVANCED MICRO DEVICES INC	-	-	1	-	L'OREAL SA	-	-	-	1
ALPHABET INC	1	-	-	-	MARATHON PETROLEUM CORP	1	-	-	-
AMERICAN ELECTRIC POWER	1	-	-	-	MASTERCARD INC	-	-	-	1
AMERICAN TOWER CORP	-	-	-	1	MEDTRONIC PLC	-	1	-	-
ANHEUSER-BUSCH INBEV SA	-	2	1	-	MICROSOFT CORP	3	-	2	2
AP MOLLER - MAERSK A/S	1	-	-	-	MONDI PLC	-	1	-	-
APPLE INC	1	1	-	-	MORGAN STANLEY	-	1	-	-
ARCELORMITTAL SA	-	1	-	-	MUENCHENER RUECKVERSICHERUNGS - GESELLSCHAFT AG	-	1	1	-
ASML HOLDING NV	-	1	-	-	NATIONAL AUSTRALIA BANK LTD	-	-	-	1
AXA SA	1	-	2	2	NATIONAL GRID PLC	1	-	-	-
BANK OF AMERICA CORP	1	-	-	1	NESTLE SA	1	-	3	2
BARCLAYS PLC	-	-	-	1	NEWMONT CORP	1	-	-	-
BAYERISCHE MOTOREN WERKE AG	1	1	-	1	NEXTERA ENERGY INC	-	1	-	-
BECTON DICKINSON AND CO	1	1	1	1	NORFOLK SOUTHERN CORP	-	-	1	-
BHP GROUP LTD	2	-	-	1	NORTHROP GRUMMAN CORP	-	1	1	-
BLUESCOPE STEEL LTD	-	1	-	1	OCCIDENTAL PETROLEUM CORP	-	-	-	1
BNP PARIBAS	-	1	-	-	ORACLE CORP	-	-	1	-
BP PLC	-	2	-	1	PROCTER & GAMBLE CO	1	1	1	1
BROOKFIELD RENEWABLE PARTNERS	-	1	1	1	QBE INSURANCE GROUP LTD	-	-	-	1
CANADIAN NATIONAL RAILWAY CO	-	-	1	-	QUALCOMM INC	-	1	-	-
CATERPILLAR INC	1	1	-	-	REPSOL SA	-	-	1	1
CHEVRON CORP	1	1	1	-	RIO TINTO PLC	1	1	1	1
CITIGROUP INC	-	-	2	1	ROYAL BANK OF CANADA	1	1	1	-
CLP HOLDINGS LTD	-	1	-	-	SAFRAN SA	-	1	-	-
COCA-COLA CO	-	-	-	1	SALESFORCE INC	-	-	2	-
COLGATE-PALMOLIVE CO	-	1	-	1	SCHNEIDER ELECTRIC SE	1	-	-	1
COMCAST CORP	-	-	-	1	SERVICENOW INC	-	1	-	1
CONOCOPHILLIPS	-	1	-	-	SHELL PLC	1	-	2	1
CORPORACION ACCIONA ENERGIAS RENOVABLES SA	1	-	1	-	SHINHAN FINANCIAL GROUP CO LTD	-	-	1	-
COTERRA ENERGY INC	-	-	-	1	SOUTH32 LTD	1	-	-	-
CRESCENT POINT ENERGY CORP	-	-	-	1	SSE PLC	1	-	-	-
CSX CORP	1	2	2	1	STANTEC INC	1	-	-	1
CVS HEALTH CORP	-	1	-	-	SUNCOR ENERGY INC	-	1	-	-
DBS GROUP HOLDINGS LTD	-	-	-	1	SWISS RE AG	1	-	-	-
DELL TECHNOLOGIES INC	-	1	-	-	TELEFONAKTIEBOLAGET LM ERICSSON	1	1	-	-
DOW INC	-	1	-	-	TELEFONICA SA	1	-	1	-
ELEVANCE HEALTH INC	-	-	-	1	THERMO FISHER SCIENTIFIC INC	1	-	-	-
ENEL SPA	1	4	1	2	T-MOBILE US INC	-	-	-	1
ENGIE SA	-	1	-	-	TRADEWEB MARKETS INC	1	1	1	-
ENI SPA	-	1	-	-	TRUIST FINANCIAL CORP	-	-	1	-
EXXON MOBIL CORP	-	1	-	-	UBS GROUP AG	-	-	2	-
FORD MOTOR CO	2	1	1	1	UNIBAIL-RODAMCO-WESTFIELD	1	-	-	-
GENERAL MOTORS CO	1	-	1	1	UNILEVER PLC	1	-	-	1
GLENCORE PLC	1	-	1	1	UNION PACIFIC CORP	-	-	-	1
GOLDMAN SACHS GROUP INC	1	-	2	-	UNITED OVERSEAS BANK LTD	-	-	-	1
GSK PLC	1	1	1	-	VERMILION ENERGY INC	1	1	1	-
HESS CORP	-	-	1	1	VISA INC	-	-	-	1
HOLCIM AG	1	-	1	1	WALMART INC	1	1	-	2
HSBC HOLDINGS PLC	-	-	1	-	WELLS FARGO & CO	1	-	1	-
INTERNATIONAL CONSOLIDATED AIR	-	-	1	-	WESTPAC BANKING CORP	-	1	1	-
INTESA SANPAOLO SPA	1	-	-	-	XCEL ENERGY INC	-	1	-	-
JERONIMO MARTINS SGPS SA	-	1	-	-	XYLEM INC	-	-	1	-
JETBLUE AIRWAYS CORP	1	-	-	-	ZOETIS INC	1	-	-	1

Note: The above list is composed of companies which were selected by external asset managers as "excellent disclosure of each four TCFD disclosure". ((1) governance, (2) strategy, (3) risk management, and (4) metrics and targets) (Listed in alphabetical order)) The companies highlighted in blue were nominated by two or more external asset managers.

[Key remarks on the “excellent TCFD disclosure” nominated by two or more external asset managers]

○MICROSOFT CORP

- Microsoft provides extensive disclosure across all four TCFD core elements. Detailed information is provided, outlining not just where accountability lies, but also the distinct role that different board-level committees and management level business functions play in providing oversight on climate-related risks and opportunities. Overall, the company exhibits comprehensive climate transition risk processes, with strong oversight, target-setting and transparency, including TCFD and CDP (Grade: “A”) reporting, Net Zero commitment, and short and longer terms targets that have been approved by the SBTi.
- Microsoft's TCFD report comprehensively addresses all of the TCFD recommendations. The company has a particularly ambitious target to be carbon negative by 2030. The company is on the CDP 2022 Climate Change A list.
- MSFT publishes a standalone climate report and is the only one of mega cap technology companies to do so. They have a clear governance structure in place and distinct teams associated with different environmental initiatives in place, including water, Carbon, Waste and AI for Earth, and a cross-company working group, which underscores how the company's environmental strategy and risk management are well integrated with the broader company's initiatives. The report clearly outlines climate scenarios and multiple examples of climate risks and opportunities, explains how those are managed, and demonstrates the commitments and targets MSFT has put in place to manage the climate-related risks and opportunities.
- In our view, the company is one of the most advanced in the market in terms of the scope, ambition and transparency of its climate metrics and targets.
- Microsoft provides a standalone TCFD report that comprehensively addresses each of the four TCFD pillars. In particular, it does an excellent job describing the various tools used in its climate-related assessments. Further, it has identified four core sustainability pillars and established commitments pertaining to each one. It reports on progress towards achieving these commitments regularly.
- We have consistently seen MSFT as a strong performer in terms of transparency on ESG. In 2022, MSFT published its first TCFD report that is emblematic of what a best in class TCFD report would look like. Its report provides analysis on scenarios, shows how metrics and targets are aligned with <2 degree scenario, and shows leadership accountability at the executive and board levels.

○ENEL SPA

- Enel was the first company to fully align its disclosures with the previous Climate Action 100+ Net Zero Company Benchmark, which defines key indicators of success for business alignment with a net-zero emission future and the goals of the Paris Agreement. They have clear scenario analysis, highlighting the potential transition and physical climate risks and opportunities for different aspects of their business, including highlighting the different time horizons these will occur. They also provided an indicative range for the financial implications of these measures and their mitigation actions. They also provide detail disclosure of their strategy to meet their net zero commitment and short-term CapEx plans that are in alignment with this. This TCFD report also includes detailed breakdown of metrics and targets, including emissions metrics by category and a range of operational and financial metrics associated with their decarbonisation strategy.
- Extensive climate change scenario analysis, broken down to examine individual country level transition and physical risk including assessment of potential impact of physical risks on electricity demand.
- In our view, the company is one of the most advanced high climate impact companies in the portfolio in terms of the scope, ambition and transparency of its climate metrics and targets and governance.
- Sustainability aspects are highly detailed (each ESG risks are identified, targets for SDGs, and accurate materiality matrix). Entire connection from trends through global strategy until the execution. Interesting KPI's are included in its strategy. A peer comparison could be relevant to assess impacts and outcomes.
- Net-zero target has been strengthened along with SBT certification, such as a 10-year acceleration of the net-

zero achievement target and enhanced mid-term emission reduction targets. GHG reduction targets and action plans by each business sector are also detailed by timeframe.

○ANHEUSER-BUSCH INBEV SA

- AB InBev has used the TCFD recommendations to assess the risks and opportunities climate change poses to their business. AB InBev provides a comprehensive summary of this work in their 2022 ESG report, disclosed in the format recommended by the TCFD. The company is on the CDP 2022 Climate Change A list.
- Robust disclosure report, with deep climate analysis content provided.

○CEMEX SAB DE CV

- All elements of the TCFD recommendations are disclosed clearly. Cemex defines how it quantifies the impact of the main risks according to the ERM guidelines under the Strategy pillar and there is clear evidence that climate considerations are integrated into its risk management process and strategy.
- Cemex's TCFD disclosures demonstrate best practices compared to peers, providing reporting regarding robust board oversight of climate issues, risk scenario analysis, and metrics and targets that have been improving year-over-year through several innovative initiatives.

○CITIGROUP INC

- In addition to the contents and results of portfolio risk analysis and scenario analysis, we evaluated the fulfilling comprehensive content that comprehensively explains the compatibility of risks with fossil fuel policy.
- Citi has been actively implementing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations since 2018, aiming to achieve net zero emissions in their financing activities by 2050 and operational emissions by 2030. Their approach includes setting baseline emissions and targets for specific sectors, such as Energy and Power, and regularly updating these in their TCFD reports. Governance of their Net Zero Plan involves a broad structure, including the Board of Directors, ESG Council, and Climate and Sustainability Council. Progress is measured using metrics like sectoral targets, absolute emissions, and emissions intensity. Citi's strategy during the low-carbon transition involves reorganizing business teams and updating climate risk management processes. Additionally, their Risk Management Committee regularly reviews policies and practices related to climate-related risks.

○FORD MOTOR CO

- Overall strong TCFD report, includes scenario analysis (NZE and STEPS) which outlines assumptions underlying scenarios and industry and Ford-specific implications, and transparency on metrics/targets including an SBTi approved target.
- The report well explains their policy engagement, supply chain, and just transitions.

○JOHNSON & JOHNSON

- Johnson & Johnson report against all the TCFD recommendations in a separate index table. The company provides helpful specifics on the business impacts climate change risks and opportunities in the short and medium term. Johnson & Johnson has prepared a Climate Action Plan which includes decarbonization goals for 2030 and a 2045 Net Zero ambition. The company is on the CDP 2022 Climate Change A list.
- Company emissions targets considered notable as they are committed to the SBTi.

○PROCTER & GAMBLE CO

- In addition to publishing a comprehensive TCFD report, the company also released a climate transition action plan detailing key objectives and targets as well as the strategies and actions to achieve net zero by 2040.
- Company emissions targets considered notable as they are committed to the SBTi.

○SALESFORCE INC

- Salesforce.com's TCFD report provides comprehensive disclosure across the TCFD core elements, in line with the company's materiality focused sustainability reporting, for which it is well known. Highlights of the

company's TCFD report include (1) a clear articulation of climate governance, including charting and clearly defined climate risk oversight, (2) an acknowledgment of the company's ongoing risk management process, which includes climate risks/opportunities, (3) a clearly defined climate strategy, and (4) scenario analysis. The company's climate metrics and targets pre-date its TCFD report. As an example, Salesforce.com's most recent CDP response received an "A-" grade.

- Robust disclosure report, with deep climate analysis content provided.

OSCHNEIDER ELECTRIC SE

- Governance: Climate is among criteria used in STI compensation, LTIP currently uses external indexes but company has indicated it will cease this approach as soon as 2024. Strategy & Risk Management: Schneider reviews itself along three dimensions: 1) aligning the company and its supply chain with a 1.5°C climate trajectory; 2) helping customers do the same through Schneider products; and 3) helping communities/government accelerate climate action. Metrics & Targets: Rigorous, SBTi approved targets include Scope 1, 2 and 3 for mid (2030)- and long-term (2050). Also plans to have carbon neutral operations by 2025. Disclosure is in line with GHG Protocol Standards, includes all emissions from upstream activity of all suppliers to use and end-of-life of products. Annual progress is clearly assessed and reviewed against interim targets.
- The report specifically explains how sustainable management for decarbonization is business opportunities for the company. The company has prepared three types of reports: an integrated report, a sustainable report, and a climate report, by which they explain its detailed net-zero strategy, including suppliers.

GPIF also requested its external asset managers entrusted with domestic equity investment to nominate "excellent TCFD disclosure" and the result was posted on its Japanese website. (https://www.gpif.go.jp/esg-stw/202403_excellent_TCFD_disclosure_j.pdf) The English version will be posted in the beginning of April. (<https://www.gpif.go.jp/en/investment/stewardship-activities.html>)