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Ref:

16 February 2023

Climate Disclosure Unit
Market Conduct Division
Treasury
Langton Cres
Parkes ACT 2600

RE: Climate-related financial disclosure: Consultation paper

Dear Sir/Madam,

Thank you for the opportunity to comment on the Government's proposed introduction of standardised, internationally-aligned reporting requirements for businesses to make climate-related financial disclosures.

For context, INPEX CORPORATION (INPEX) is an international energy company listed on the Tokyo Stock Exchange and is owned 19.97 per cent by the Japanese Government. INPEX has been an active member of the Australian business community since 1986 and, as operator of Ichthys LNG, is the largest Japanese investor in the country.

Climate change is a critical business issue for INPEX. Last year, the company released its business strategy roadmap INPEX Vision@2022, which sets out the path to achieving the target of net zero emissions by 2050 while providing a stable supply of diverse and clean energy sources, including oil and natural gas, hydrogen and renewable energy. Further, we aim to reduce our net carbon intensity by 30 per cent or more by 2030 over 2019 levels. Australia is one of five locations globally to be targeted for future investment opportunities.

To meet the world's energy demands and achieve net zero, we are committed to properly assessing climate change risks and opportunities—and managing them appropriately. INPEX's disclosures related to climate change are in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are available on our global website – www.inpex.co.jp.

We welcome the Government's commitment to ensuring greater transparency and accountability by companies in Australia when it comes to climate-related plans, financial risks and opportunities. At a strategic level, we acknowledge that Australia and Japan are both members of the Financial Stability Board, and support regional—and bilateral—cooperation to address climate change and the stability of global financial markets.

INPEX is a member of the Australian Industry Greenhouse Network Limited (AIGN)—a network of industry associations and corporations—and broadly supports the views presented in AIGN’s submission. In complement to the AIGN submission, we offer the following comments for your consideration:

- In principle, INPEX supports initiatives that strengthen transparency for relevant stakeholders on the climate-related financial risks.
- INPEX welcomes the review by the Government, noting that it provides an opportunity to align with Japan and other G20 countries to address the challenge of climate change and strengthen the stability of global financial markets.
- INPEX already provides climate related disclosures in line with TCFD recommendation via its Global Sustainability Report, available on the public website.
- Further, INPEX welcomes interest in climate-related risks and opportunities by Australian stakeholders and provides targeted information to inquiries the company receives on a case-by-case basis.
- INPEX supports the reform principles guiding the design of the new requirements by the Government. We note, in particular, the importance of alignment to international reporting practices and requirements that are scalable and flexible to minimise the expected compliance costs and potential for unintended consequences.
- The proposed initial scope targeting large-listed companies in Australia is appropriate, where there is alignment of Australian and international frameworks, as proposed. Companies with operations in Australia, but that are not listed in Australia, which already provide aligned climate-related consolidated financial reporting in other countries could register their group reporting with the Government to ensure transparency and for ease of reference in Australia.
- INPEX considers that only a very limited number of relevant stakeholder groups might derive decision-useful information through an Australian mandatory reporting framework that would be materially additional to that which could be derived from climate related financial reporting already undertaken in another jurisdiction in line with an international framework.
- INPEX is committed to continuing and maturing our current reporting as the associated ISSB standards are also matured.

We are pleased to contribute views to the Government’s deliberations on this matter. If we can assist further, please contact me at [REDACTED] or [REDACTED]

Yours sincerely,

[REDACTED]

Vice President Corporate