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## State of Play in ESG-Related Human Resource Development

— Summary of the Questionnaire Responses from Applicants of the 7th ESG Finance Award Japan —

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## ■ Purpose

To understand the status of ESG-related human resource development in financial institutions and companies operating in Japan, with the aim of further expanding and promoting ESG finance.

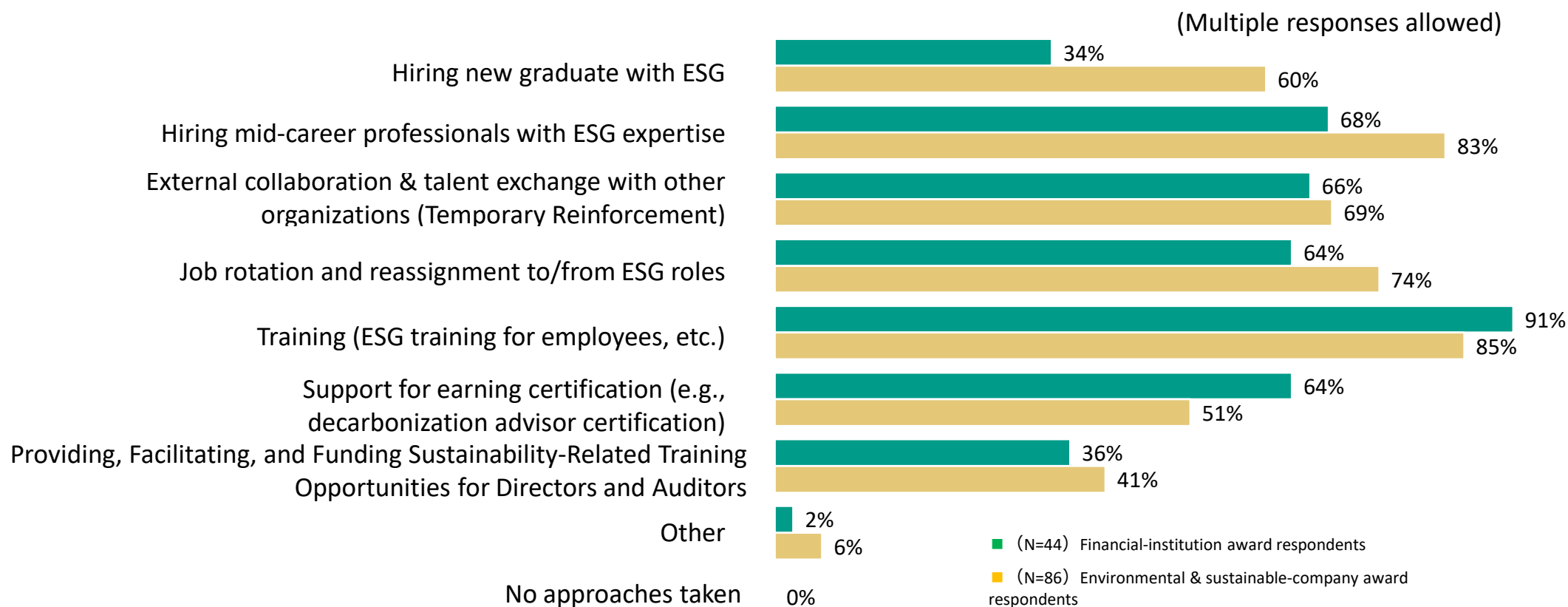
## ■ Method

- Target respondents: Applicants for the 7th ESG Finance Award Japan. Financial institutions, and companies and holdings can apply for this award to gain recognition for their active engagement in ESG finance and sustainable corporate management.
- Survey Period: From September 16 to October 31, 2025
- Collection Method: Submitted online or via an Excel form. A total of 130 applicants responded: 44 financial institutions and 86 companies.
- Number of Questions: 5 (from a.to e.)

# a. Human Resource Development Approaches to Strengthen ESG Practice



- “Training (ESG training for employees, etc.)” was the most common approach among both financial institutions and companies, followed by “Mid-career hiring”.
- About one-third (34%) of financial institution respondents and more than half (60%) of the company respondents reported hiring new graduates with ESG knowledge. “Support for earning certification (e.g., decarbonization advisor certification),” was also implemented more than half of all respondents.

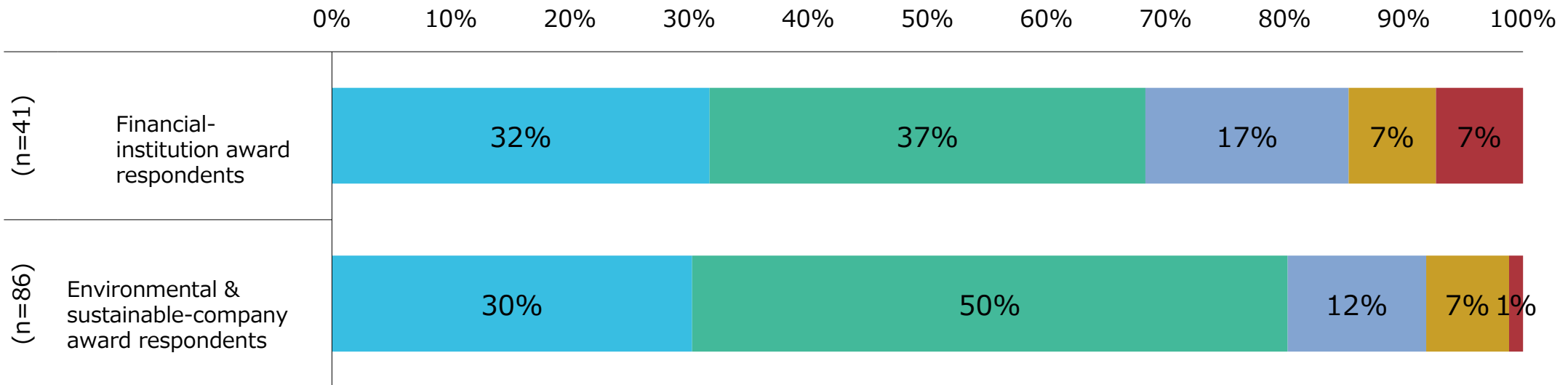


## b. ESG Talent Most Needed in the Organization



- Financial institutions and companies primarily seek internal leaders who drive ESG vision and activities, followed by specialists in individual ESG fields.

(Single response allowed)

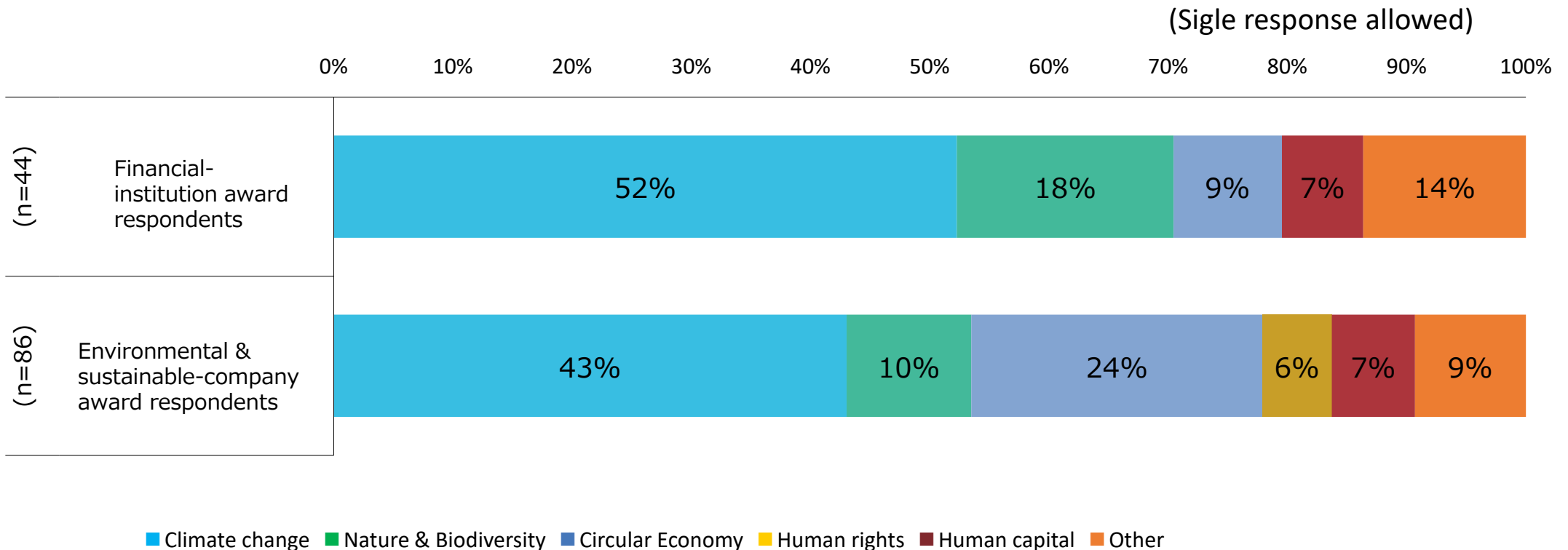


- Specialized talent in ESG (transition to Decarbonization, transition to circular economy, and nature-positive initiatives)
- Internal leaders driving ESG/SDGs vision and initiatives
- Coordinator responsible for engaging stakeholders and facilitating Dialogue with businesses, local governments, and other entities
- Directors and auditors equipped with sustainability training
- Other
- Not required

## c. Expertise Most Required for ESG Talent in Organizations



- “Climate change” was the most needed expertise in both financial institutions and companies.
- Financial institutions identified “Nature & Biodiversity” as the second-most needed expertise (18%), while companies most frequently cited “Circular Economy” (24%).
- In addition to environmental expertise, other sustainability areas—such as human capital and human rights—are in demand, highlighting the need for specialists across a range of sustainability fields.

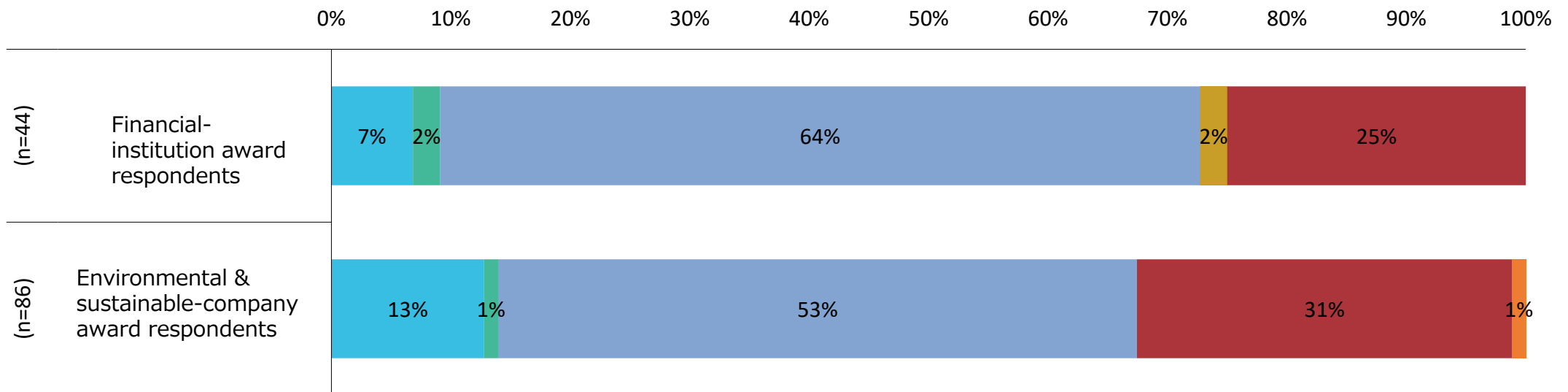


## d. Contribution of ESG Initiatives to Recruitment and Talent Retention



- The majority of respondents indicated that ESG initiatives contribute to both new-graduate/mid-career recruitment as well as talent retention.
- Very few respondents reported that ESG initiatives support to neither (Financial institutions: 2%; Companies: 0%).

(Single response allowed)



- Contributing Only to new graduate and mid-career recruitment
- Contributing Only to talent retention
- Contributing to both new graduate/mid-career hiring and talent retention
- Contributes to neither
- Unknown
- No Response

## e. Major Challenges in ESG Human Resource Development



- The most common challenge was “lack of personnel to conduct training” (70%).
- Although many respondents engage in mid-career recruitment to acquire ESG talent, only around 30% identified “difficulty in mid-career hiring” as a major challenge.
- Many company respondents reported “lack of understanding within the organization” (57%) and “cost” (42%) as major issues, while these were reported less frequently by the financial institutions (23% and 30%, respectively).
- Collaboration with external parties was recognized as a major challenge by 15% of company respondents, compared with only 2% of financial institution respondents.

