

Feature Articles

This month's focus: **Human Capital Management and Investor Engagement**

Conceptual Framework of Sustainability Reporting and Human Capital Accounting

Kazuyuki Shimanaga

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This paper examines an overview of the conceptual framework for sustainability reporting, focusing on developing a new approach to Human Capital Accounting.

Future Prospects of Work-style and Human Capital Management

Kotaro Tsuru

Considering the ability and skills of employees as human capital, human capital management expands human capital through reskilling, etc. in order to increase the value added of a company. There are two approaches to increasing well-being and increasing its utilization. In one, not only is it difficult to match employees with the skills to be improved, but it also takes time to see results. On the other hand, the other approach is considered to be highly effective in that the effect appears quickly. We must not forget that job-based employment, which guarantees career autonomy, is a prerequisite for human capital management aimed at improving capabilities and skills. I hope that in addition to management strategies that generate new value added and innovation and the improvement of employee well-being that supports them, efforts will be made to voluntarily disclose information regarding human capital in terms of fulfilling social responsibility.

Article

Carbon Neutral and Equity Investment

Keisuke Ito, CMA •CIIA

This paper analyzes the relation between CO2 emissions and equity return in Japan using 2010-21 data, and finds that especially after 2016, (1) equity returns are lower for high CO2 emissions companies, and (2) reduction of CO2 emission is rewarded by positive equity return for companies that proactively disclose such information. The paper further discusses the possible reasons for those phenomena.