

Japan Climate Leaders' Partnership(Japan-CLP)

Towards a Sustainable Low Carbon Society: Our Recommendation



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Japan Climate Leaders' Partnership



This document is a translation of the Japanese language original

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Introduction

The Japan-Climate Leaders' Partnership (Japan-CLP) is a business coalition that regards spearheading the transition to a sustainable low carbon society to be a business opportunity.

On July 30th 2009, Japan-CLP was set up to urge the industrial community to develop a sound sense of urgency on the issue of climate change and to initiate proactive action. We share the common goal of building a sustainable low carbon society through communicating proactively with policy makers, industry and citizens, and will undertake a variety of activities with a focus on Asia.

Upon its launch in July 2009, the Japan-CLP released "Our Common Vision", consisting of "Our Purpose", "Our Perspective" on climate change and business, "Five Principles for a Sustainable Low Carbon Society", and "Our Promise."

This recommendation, launched in April 2010 by five members of the Japan-CLP (Aeon, Fujitsu, Ricoh, SAP Japan, and Tokyo Steel Manufacturing), provides the outlook and strategy for putting "Five Principles for a Sustainable Low Carbon Society" into practice (for more information on "Our Common Vision", please refer to our website (<http://japan-clp.jp/en/index.html>)).

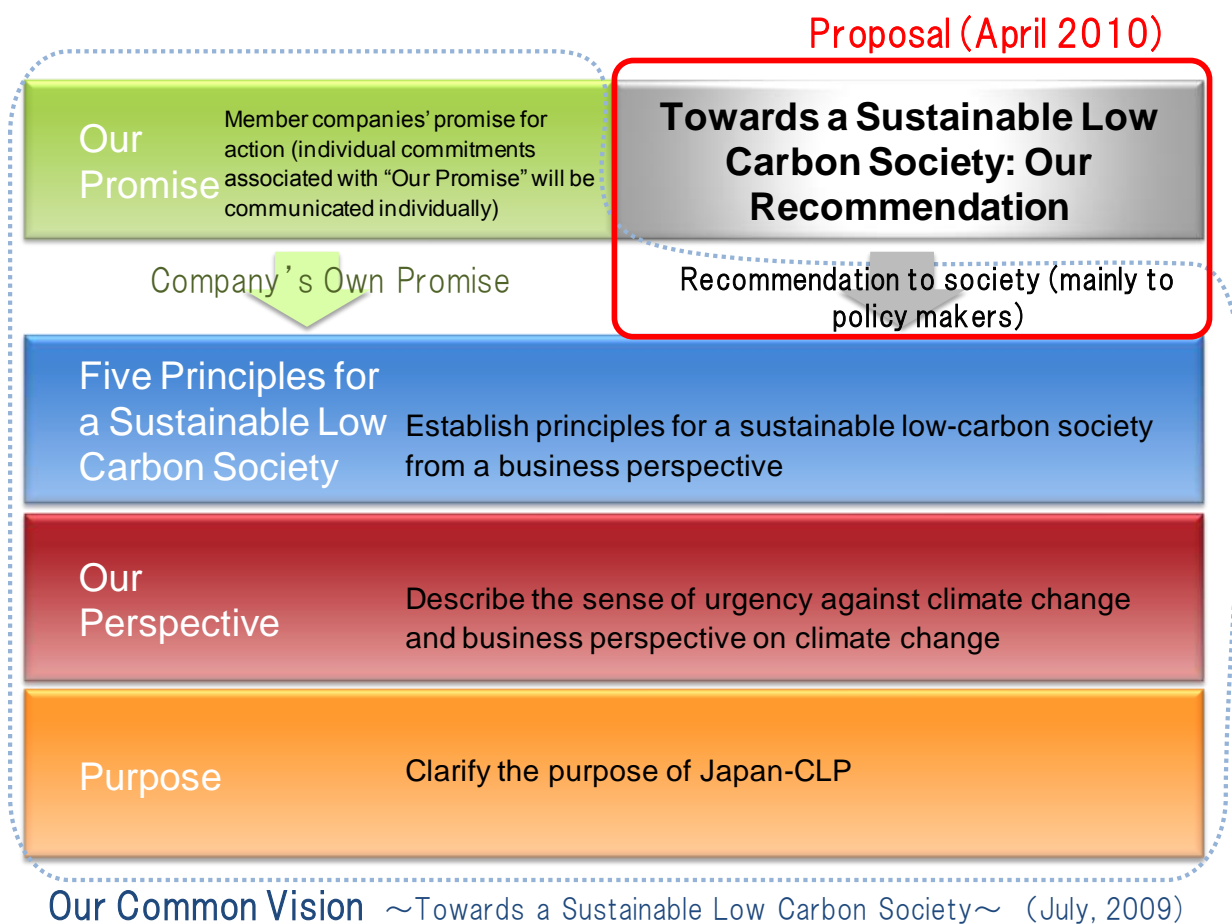


Figure 1 : Relationship between Our Common Vision and Our Recommendation

1. Overview

Background

Standing on common ground, the members of the Japan-CLP used the following shared vision for the future as the basis for its discussions and recommendations.

- IPCC recognizes that global greenhouse gas (GHG) emissions must be halved by the year 2050, and that emissions need to peak out by 2020. This must be our focus as we work to build an international framework for sustainable economic growth.
- Japan's mid-term target is not an easy hurdle to clear within the given timeframe. Japan must work on drastically reducing its carbon footprint, and at the same time, efforts toward cutting GHG emissions in emerging economies and developing countries must be accelerated in order to achieve its long-term reduction goals.

This shared perspective, seen from a corporate perspective, provided us with a focus for examining the outcomes from the panel discussion at the December 3, 2009 Japan-CLP Symposium as well as the results of the survey conducted among symposium participants. Looking to encourage positive change, we identified strategic issues that must be addressed by the business community if we are to curb climate change and leverage the strength of Japan's industries and corporations to realize sustainable economic growth. These are our recommendations for a Japanese climate change policy that we believe will benefit everyone.

Five Principles for a Sustainable Low Carbon Society

As previously described, the Japan-CLP has outlined the following "Five Principles for a Sustainable Low Carbon Society" in "Our Common Vision." In accordance with "Five Principles for a Sustainable Low Carbon Society", we have delivered this recommendation.

Five Principles for a Sustainable Low Carbon Society

① Pursuit of intergenerational responsibility

We must live up to our intergenerational responsibility (our obligations to future generations) while meeting the needs of the current generation.

② Establishment of long-term policies to encourage early action

Low-carbon policies that set a long-term direction and clear pathways providing appropriate economic incentives for early action on greenhouse gas reduction must be introduced, allowing corporations to take advantage of new business and investment opportunities.

③ A society based on the principle of burden sharing

Society must operate with a set of fair rules based on the principle of burden sharing. Various stakeholders in society must share responsibilities and actual burdens, and similar agreement must be found among developed and developing countries.

④ Development and deployment of low-carbon technologies

Low-carbon technologies must be strategically developed, and frameworks must be introduced to enable the prompt and extensive deployment of low-carbon energy options, products and services essential to a low-carbon lifestyle.

⑤ Improvement of the absorption capacity of ecosystems

The conservation and restoration of forests must be positioned as an important element of climate change measures in order to improve the capability of ecosystems to absorb and fix CO₂.

Composition of Recommendation

We have put forward twelve recommendations from a business perspective based on the “Five Principles for a Sustainable Low Carbon Society”. Out of the twelve recommendations, we have developed discussion papers for Recommendation 1,2,and 6. These discussion papers are not recommendations of the Japan-CLP, but intended to be a material to facilitate further discussion.

The discussion papers are all prepared in Japanese.

Principles	Recommendation
1. Pursuit of intergenerational responsibility	1. Outlook for a sustainable low carbon future 2. Multi-pronged approach to cultivating eco-active consumers
2. Establishment of long-term policies to encourage early action	3. Early establishment of a national low carbon strategy and roadmap 4. Early adoption of incentives to implement national low carbon strategy 5. Establishment of common indices to encourage and evaluate action
3. A society based on the principle of burden sharing	6. Establishment of effective and just economic and political systems based on the principle of burden sharing 7. Constructive cooperation with developing countries
4. Development and deployment of low-carbon technologies	8. Acceleration of research and development of technologies contributing to climate change alleviation 9. Extensive implementation of renewable energy policy 10. Further innovation and diffusion of energy conserving technologies
5. Improvement of the absorption capacity of ecosystems	11. Pursuit of synergies between climate change action and ecosystem conservation 12. Acceleration of domestic forestry conservation

Figure 2: Overview of the recommendation

2. Principle 1 : Pursuit of intergenerational responsibility

We must live up to our intergenerational responsibility (our obligations to future generations) while meeting the needs of the current generation

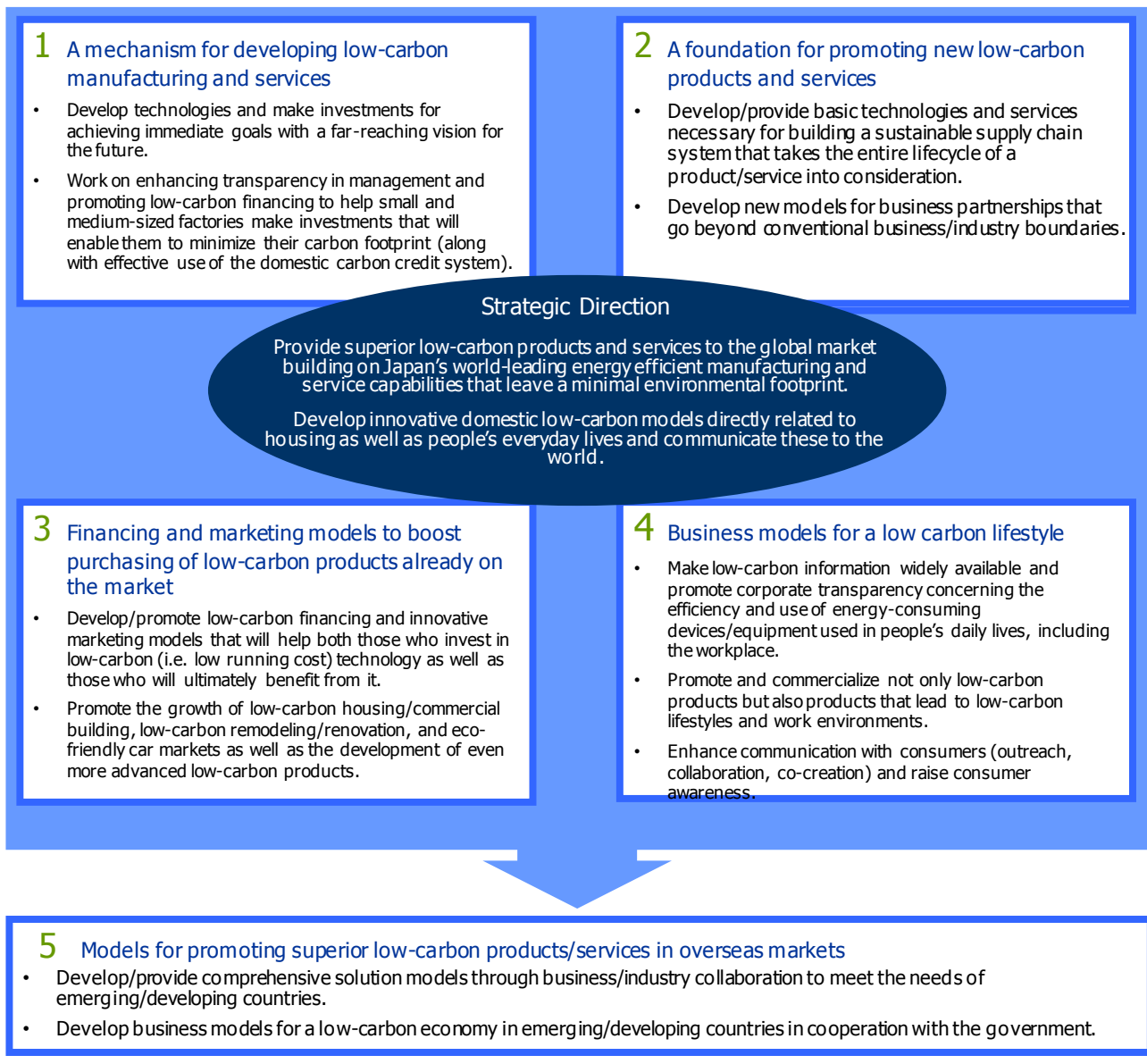
Recommendation 1. Corporate outlook towards a sustainable low carbon future

- Japanese companies should make continuous efforts toward creating low-carbon business models that make the most of Japanese industry's unique strengths and pave the way to both climate stabilization and sustainable economic growth. We believe this is not only a major responsibility for Japanese companies but a significant business opportunity as well.
- Japanese companies should take the first step in leading the way toward building low-carbon business models in the domestic market, and then move on to apply successful models in markets throughout the rest of Asia and the world.
- We will realize this goal by developing and implementing original business models while actively making policy recommendations and working with the government to promote and accelerate cooperation between the public and private sectors.

[Strategic Direction]

- Provide superior low-carbon products and services to the global market building on Japan's world-leading energy efficient manufacturing and service capabilities that leave a minimal environmental footprint.
- Develop innovative domestic low-carbon models directly related to housing as well as people's everyday lives and communicate these to the world.

We have outlined five initiatives to realize this strategic direction below. (Examples of specific corporate initiatives and areas that should be emphasized when developing policies can be found in the Discussion Papers.)



Recommendation 2. Multi-pronged approach to cultivating eco-active consumers

It is of vital importance to sow the seeds that will give rise to an increasing number of eco-active consumers; consumers who are highly balanced in the “awareness”, “knowledge”, and “behavior” on global environment issues, who will create a new market landscape upon which consumers and businesses can build a low-carbon economy. Governments, corporations, and NGOs should work together to implement incentive programs that will promote environmental action as well as educational programs that will foster environmental awareness and knowledge. Once these measures have been implemented in Japan, we should help other countries throughout Asia implement similar measures tailored to suit the particular needs of each country (see the Discussion Paper for the definition of eco-active consumer and details about the two types of measures) via the following approaches.

- Focus on measures designed to promote environmentally friendly consumption by changing consumers’ behaviors in order to realize a rapid shift to a low-carbon society. Provide consumers with a wider spectrum of environmental information via various channels in ways that are simple and easy-to-understand so that they can make comparisons when shopping. Implement a wide variety of incentives that are tailored to meet the diverse needs of consumers.
- Provide environmental education suited to different life stages through cooperation among governments, private companies and NGOs in order to increase people’s environmental awareness and knowledge (environmental literacy). A mechanism must be established to enable companies to do their part, i.e. provide opportunities, knowledge, information and the human resources needed for environmental education via their corporate activities.
- Develop a package of measures designed to facilitate a shift to low-carbon lifestyles through active engagement of governments, companies, NGOs and consumers. Work with other Asian countries to create a new relationship between industry and consumers that goes beyond national boundaries.

3. Principle 2: Establishment of long-term policies to encourage early action

Low-carbon policies that set a long-term direction and clear pathways providing appropriate economic incentives for early action on greenhouse gas reduction must be introduced, allowing corporations to take advantage of new business and investment opportunities.

Recommendation 3. Early establishment of a national low carbon strategy and roadmap

- Early establishment of a consistent national low carbon strategy indicating a clear path and tangible roadmap with the participation of the business community from the early stage.
- The national low carbon strategy will be organized from both perspectives: incentives and restrictions.
- Japan to exercise global leadership in spearheading a low carbon society.

Recommendation 4. Early adoption of incentives to implement national low carbon strategy

- Secure financial resources for providing incentives designed to promote environmentally

sustainable consumption and corporate behavior through tax revisions aimed at fostering the growth of a low-carbon economy via the establishment of effective and just economic and political systems based on the principle of burden sharing (Recommendation 6).

- Provide tax breaks and investment tax credits to companies that make a smaller carbon footprint.

Recommendation 5. Establishment of common indices to encourage and evaluate action

- Development of an internationally compatible carbon footprint and evaluation indices for products, services, and overall company activities throughout the supply chain.

4. Principle 3 : A society based on the principle of burden sharing

Society must operate with a set of fair rules based on the principle of burden sharing. Various stakeholders in society must share responsibilities and actual burdens, and similar agreement must be found among developed and developing countries.

Recommendation 6 Establishment of effective and just economic and political systems based on the principle of burden sharing

- Ensure that all GHG emitters work proactively to reduce their emissions and are rewarded appropriately with an aim to ensuring that Japan's reduction target will be achieved.
- The business community should take the initiative to develop a comprehensive strategic package for establishing optimal socioeconomic systems that are in line with the policies of relevant national government organizations and local governments.
- In case of setting a reduction target and implementing economic measures designed to give emitters some flexibility in achieving it, issues that have to be addressed during the design of the socioeconomic system should be identified. In addition, effective and feasible starting point, as well as approach toward building ideal socioeconomic systems should be identified, taking into consideration the current status of each industry (international competition, structure, etc.). It is also vitally important to thoroughly examine the efficacy and impact of such systems and put them to a national debate.

Recommendation 7. Constructive cooperation with developing countries

- In working steadily toward achieving Japan's reduction target, we must develop a framework of cooperation between the public and private sectors in order to promote financial and technical cooperation that will benefit both climate change mitigation efforts and regional development in Asia and the rest of the world.
- Implement comprehensive measures geared toward strengthening collaborative relationships (e.g. providing energy-efficient products and technologies, bilateral carbon credit trading, etc.) in order to promote low-carbon products, services and technologies not only in Japan but throughout Asia.

5. Principle 4 : Development and deployment of low carbon technologies

Low-carbon technologies must be strategically developed, and frameworks must be introduced to enable the prompt and extensive deployment of low-carbon energy options, products and services essential to a low-carbon lifestyle.

Recommendation 8. Acceleration of research and development of technologies contributing to climate change alleviation

- Concentrate on promoting existing low-carbon technologies and making technological innovations that will enable Japan to fulfill its role as a world leader in realizing a low-carbon society and promoting low-carbon technologies around the globe.
- Promote the development of simulation and basic technologies required for research and development of technologies contributing to climate change alleviation.
- Establishment of public-private financial mechanism to abate the risk of technology development.

Recommendation 9. Extensive implementation of renewable energy policy

- Develop a systematic national renewable energy policy that includes concrete implementation targets to ensure energy security.
- Enhance programs designed to encourage companies and consumers to invest in renewable energy.

Recommendation 10. Further innovation and diffusion of energy conserving technologies

- Make active efforts to develop and promote innovative technologies and social infrastructures that will further enhance energy efficiency.
- Promote technological development and widespread use of products and services designed to reduce the carbon footprint we make in business and at home (e.g. remodeling of houses and buildings to increase energy efficiency).

6. Principle 5 : Improvement of the absorption capacity of ecosystems

The conservation and restoration of forests must be positioned as an important element of climate change measures in order to improve the capability of ecosystems to absorb and fix CO₂.

Recommendation 11. Pursuit of synergies between climate change action and ecosystem conservation

- Establish an economically sound, public-private partnership system to promote forest protection, restoration and cultivation especially in Asia.

Recommendation 12. Acceleration of domestic forestry conservation

- Introduce common index to clarify CO₂ absorption through forest conservation, and to build an

economically sound forest conservation system for company participation beyond corporate social responsibility activities.

- Develop a mechanism for effectively using properly managed forestry resources (e.g. forest thinning) in Japan and work to prohibit illegal cutting in forests around the world to aid forest conservation efforts.

7. Conclusion

After surveying the current state of affairs from the perspective of the business community, the Japan-CLP offers these recommendations with the hope of promoting a fruitful dialogue among policymakers, businesses and NGOs. These recommendations are designed to spark constructive discussions and facilitate the implementation of effective climate change policies that will enable Japan to realize sustainable growth and a low-carbon society that will stand as a guiding light for the whole world to follow. These recommendations are by no means final. They are intended to be added to, modified, and developed through further discussion in order to chart a working roadmap to a low carbon future.

The Japan-CLP will continue to engage in discussions with various Japanese stakeholders (policymakers, businesses and NGOs) on a regular basis as it also works to promote dialogues with countries across Asia. The Japan-CLP welcomes comments and opinions about its activities.