

## **Reference: The Formulation of the Keidanren Voluntary Action Plan on the Environment: History and Aims**

### 1. History

A step ahead of the Earth Summit in 1992, Nippon Keidanren (then known as Keidanren) formulated the Keidanren Global Environment Charter in 1991. Guided by a basic philosophy that the addressing of environmental problems is essential to corporate existence and activity, it proclaimed a course of voluntary and active efforts directed at environmental conservation.

In order to link the philosophy of the Global Environment Charter to concrete action, in 1996 the Keidanren Appeal on the Environment was announced. With respect to measures to counter global warming, Nippon Keidanren then announced the formulation of a voluntary action plan to promote practical and effective efforts by the business community.

This led to the formulation of the Keidanren Voluntary Action Plan on the Environment (renamed the Voluntary Action Plan on the Environment in fiscal 2002) in the following year, 1997. Today, 57 industrial organizations and companies are participating in the plan, through which they are actively addressing not only global warming but also the problem of waste. With respect to measures to counter global warming, the uniform goal is the "reduction of CO<sub>2</sub> emissions from participating industries in the industrial and energy-conversion sectors in fiscal 2010 to below the levels of fiscal 1990."

### 2. Goals

The causes of long-term environmental problems that occur globally, such as global warming, are to be found in business activities of all kinds and in many aspects of our daily lives. In consequence, they cannot be addressed by restricting activities uniformly, and it is also difficult to deal with them adequately through conventional means such as regulations and the levying of taxes and charges. In view of this, in place of the conventional regulatory measures that have been effective in the past, such as the anti-pollution measures of the 1970s, today it is to voluntary efforts that we must look to have an impact on problems occurring on a global scale. The rationale underlying voluntary efforts is that they constitute the most effective countermeasures, because business people themselves, who have the best grasp of the actual situation in each industry, can take technical trends and other factors affecting management judgments comprehensively into consideration, and draft and implement the most cost-effective measures. In addition, Nippon Keidanren conducts a follow-up every year of the state of progress of the Voluntary Action Plan on the Environment, and releases its finding publicly through the Internet and other means.

Therefore, the Voluntary Action Plan on the Environment comprises four steps that are repeated each year: (1) the setting of targets; (2) the implementation of efforts to attain those targets; (3) the regular follow-up of the state of progress of those efforts; and (4)

the public disclosure of the follow-up results through the Internet and other means. This mechanism spurs continuous improvements, and is able to prevent the non-achievement of targets.

The Voluntary Action Plan on the Environment has also been given a status within the Japanese government's Guidelines for Measures to Prevent Global Warming, in which it is described as one of the core components of the Guidelines in their quest for harmonious coexistence of the environment and economic activity. One reason for this is that it makes possible voluntary, broad-based participation by entities that select optimum methods through their own ingenuity, and flexible and rapid responses to changes in conditions.

The progress of the voluntary action plans is reviewed annually by the relevant government councils, and reports are also made to joint meetings of the councils concerned with domestic measures to address global warming.

### 3. Future Policy

Nippon Keidanren will continue to require the participating industries to ensure the steady implementation of the plan's countermeasures, and to devote its full energies to the achievement of its overall uniform goals. It will also maintain its efforts to ensure a continuous improvement in transparency and credibility on the basis of the reports of the Evaluation Committee for the Voluntary Action Plan on the Environment.

For their part, companies will expedite their voluntary efforts, not only undertaking measures relating to their own business activities, but also contributing to problem-resolution both within Japan as a whole and globally.

#### [Addendum: Measures on Waste]

When the Keidanren Voluntary Action Plan on the Environment was formulated in 1997, waste-related measures were included as another core component. Targets were laid down for individual industries, and measures undertaken on a voluntary basis were promoted. In 1999, Keidanren laid down a uniform target for the entire industrial sector of 15 million tons (25% of the amount in fiscal 1990) as the quantity of final disposal of industrial waste in fiscal 2010. Follow-up surveys of the state of progress towards achieving that target are conducted annually.