

**Redesigning the Post-COVID-19 Socioeconomic System toward
a Virtuous Cycle of Environment and Growth**
**- Agreement between the Ministry of the Environment and Keidanren
to Collaborate toward Realizing a Decarbonized Society -**

September 24, 2020

Ministry of the Environment, Government of Japan (MOEJ)

Japan Business Federation (Keidanren)

[General Remarks]

1. The two crises facing the world today; i.e. COVID-19 and climate change, require the redesign of our socioeconomic system to be more sustainable and resilient, thereby creating a virtuous cycle of environment and growth. In particular, development and global dissemination of innovative technologies are essential to address climate change. In view of the above, MOEJ and Keidanren will work closely together aiming for the realization of a decarbonized society as stated in the Paris Agreement.
2. The two organizations will collaborate for steady achievement of the Japan's Nationally Determined Contribution (NDC), and pursue further reduction efforts taking into consideration technological developments and lifestyle changes.

[Realizing a Decarbonized Society]

3. Moving forward with realizing a decarbonized society, Keidanren will strongly promote its Challenge Zero initiative. MOEJ, in collaboration with other government agencies, will support actions by Keidanren and its members.
4. Moreover, MOEJ and Keidanren will collaborate to promote decarbonized corporate management in Japan, such as through the TCFD, SBT, RE100, etc.

[Steady Achievement of the NDC based on the Paris Agreement]

5. Keidanren will steadily implement proactive efforts toward achieving the NDC based on the Paris Agreement. Meanwhile, MOEJ, in collaborate with other government agencies, will provide follow-up and support.

[Sustainable / ESG Finance]

6. To promote technological developments that contribute to the realization of a decarbonized society, and to advance the transition to such a society, Keidanren will actively promote sustainable/ESG finance including information disclosure. MOEJ, in collaboration with other government agencies, will improve enabling conditions to promote sustainable/ESG finance.

[Periodic Discussions, etc.]

7. MOEJ and Keidanren will take actions such as periodic discussions to promote actions contained in the six paragraphs above. MOEJ and Keidanren will also work together for redesigning the post-COVID-19 socioeconomic system toward a virtuous cycle of environment and growth, with the three transitions as its foundation, namely, transitions to a decarbonized society, to a circular economy, and to a decentralized society in harmony with nature. Both organizations will further collaborate on actions toward realization of the Circular and Ecological Economy (CEE) as well as the Society 5.0 for SDGs, as shared images of a sustainable future.