

(Reference)

Events Leading to the Development and Adoption of the Keidanren  
Voluntary Action Plan on the Environment (Measures against Global Warming);  
and the Aims of the Keidanren Voluntary Action Plan

1. Background to Adoption

In 1991, prior to the convening of the Earth Summit of 1992, Keidanren formulated and adopted the “Keidanren Global Environmental Charter.” In this charter, Keidanren explicitly expressed as its fundamental philosophy an awareness that “endeavoring to deal with environmental problems was an essential condition for corporate existence and activities.” It then declared its intentions to pursue voluntary and active efforts in behalf of environmental conservation.

In 1996, in order to give concrete expression to the basic philosophy of its Global Environment Charter, it announced the “Keidanren Appeal on the Environment.” In this appeal, it declared its intention to develop and adopt voluntary action plans that would become a means of promoting effective action by the industrial community on global warming.

Following up on this appeal, Keidanren in 1997 produced the “Keidanren Voluntary Action Plan on the Environment,” a program in which 50 industries currently participate and deal vigorously not only with the problem of global warming but also with waste-related issues. Regarding global warming, Keidanren states that the common goal will be “to endeavor to reduce CO<sub>2</sub> emissions from the industrial and energy-converting sectors in fiscal 2010 to below the levels of fiscal 1990.” Because of previous efforts to conserve energy in the aftermath of the oil crisis, Japan’s industrial community has achieved an extremely high rate of energy efficiency in comparison with its counterparts in Europe and America.. And, when considering 20 years’ worth of further economic expansion, the goal for 2010 is clearly an extremely challenging and ambitious one. In fact, on a business-as-usual basis, Keidanren projects that emissions in fiscal 2010 will rise by 5.9 percent compared to levels in fiscal 1990.

2. Aims

Environmental problems such as global warming, which are long-term and arise on a global scale, derive from every kind of business activity and relate to every aspect of our lives. Consequently, blanket restrictions do not work, and it is difficult to deal adequately with these problems through conventional regulatory means. In place of traditional regulatory measures, which were used effectively against pollution and other problems in the 1970s, voluntary efforts offer the most promising approach to dealing

with these global-sized issues. Voluntary efforts are based on a view that holds that the most effective measures are those planned and executed by persons with the greatest knowledge of the businesses concerned—the business operators themselves. Such persons will propose and execute measures that are highly effective from a cost-benefit standpoint, while taking into consideration broad-ranging issues, such as technical trends and other concerns requiring managerial judgment.

Keidanren carries out Follow-up surveys each year on the progress of the respective voluntary action plans, and releases the results of these surveys widely to the general public via the Internet and other media. In other words, the Keidanren Voluntary Action Plan encourages continual improvement, and is structured to spot and prevent failure to reach goals beforehand. A four-step process, which is repeated every year, ensures such improvement and effectiveness: (1) establishment of goals; (2) identification of measures to achieve goals; (3) periodic follow-up on the progress being made through these measures; and (4) the public release of follow-up results through the Internet etc.

In the national government's "Basic Principles for the Promotion of Measures Dealing with Global Warming," which were revised in March 2002 prior to its ratification of the Kyoto Protocol, it is noted that the voluntary action plan should be regarded as a principal tool for the industrial sector during the first step between 2002 and 2004. The progress of the voluntary action plans is reviewed annually by related government councils; Keidanren also reports the results of these reviews to joint meetings of such councils, which are established to review domestic proposals aimed at dealing with the problem of global warming.

### 3. Future Policy

While calling upon participating industries to remain steadfast in their efforts to achieve individual goals, Keidanren will commit its full energies to the task of achieving the unified goal for all industries. It will also endeavor to improve disclosure from the next follow-up survey on, taking into account the final report to be issued by the Evaluation Committee for Voluntary Action Plan on Environment.

{ Addendum: Regarding Measures on Waste }

In 1997, in formulating its Voluntary Action Plan on the Environment, Keidanren also identified waste-related measures as an integral part of the plan, and encouraged industry to establish goals and to promote voluntary efforts to deal with the problem. In 1999, it declared that industry would adopt a common goal for waste reduction, which it expressed as follows: "Industry will seek to achieve a target of 15 million tons as its goal for final disposal of industrial waste in fiscal 2010 (25% of the amount in fiscal 1990)." Toward this end, Keidanren will be conducting annual follow-up surveys to monitor the progress of each industry.