Law Concerning the Promotion of Business Activities with Environmental Consideration by Specified Corporations, etc., by Facilitating Access to Environmental Information, and Other Measures (Provisional Translation)

(Law No. 77 of 2004)

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Chapter 1 General Provisions

Article 1 (Purpose)
In view of the importance of business-related environmental conservation and their appropriate environmental assessments in promoting environmental conservation and ensuring a sound economic development, the purpose of this law is to clarify the responsibilities of the State in providing and making use of information on the state of business-related environmental consideration and to take measures to prepare and publish environmental reports by Specified Corporations so as to ensure appropriate business-related environmental conservation, thereby contributing to ensuring a healthy and cultured living for both the present and future generations of the nation.

Article 2 (Definitions)
1. For the purpose of this law, “state of environmental consideration” means reduction of the environmental load as stipulated in Article 2.1 of the Basic Environment Law, Law No. 91 of 1993 (hereinafter the same), and other environmental conservation activities, and activities that produce environmental load or lead to the production of environmental load.
2. For the purpose of this law, “environmental information” means information on the state of business-related environmental consideration and information on reducing the environmental load in relation to manufactured products, goods, or services (hereinafter referred to as “products, etc.”).
3. For the purpose of this law, “business activities with environmental consideration” means business activities accompanied by works to reduce environmental load, creation of a sound environment, and other voluntary business-related environmental conservation activities.
4. For the purpose of this law, “environmental report” means any document, regardless of its title (including electromagnetic records, if converted to electromagnetic format
(electronic data, magnetic recordings, and other forms of recordings which, not
perceivable though human senses alone, are utilized by means of data processing with
electronic computers); hereinafter the same), concerning the state of environmental
consideration (including numerical data indicating the environmental load generated in
the process of business activities) during a business or financial year, prepared by
Specified Corporations (a business entity that is established under a specific law and that
is governed by the ordinance, which include the following considerations: the magnitude
of national grants or subsidies provided to cover necessary expenses for business
management; the relationship of the corporation to relevant administrative work or
projects of the State; the form of the entity, including whether it is a cooperative entity;
the severity of the environmental load produced by the business activities; the size of the
organization; and other situations) and other entities.

Article 3 (Responsibilities of the State and Local Governments)
1. The State shall publish its own state of environmental consideration, have corporations,
   promote the provision of environmental information, promote the use of environmental
   information by corporations or citizens, and facilitate policies that lead to business
   activities with environmental consideration.
2 Local governments shall strive to publish their own state of environmental consideration,
   promote policies that lead to business activities with environmental consideration based
   on the region’s natural and social conditions.
3 In promoting policies facilitating business activities with environmental consideration,
   the State and local governments shall take into consideration the additional administrative
   burdens placed on small and medium-sized enterprises and other circumstances to be
   borne by these entities.

Article 4 (Responsibilities of Corporations)
A corporation shall strive to provide its own business-related environmental information
and take into consideration its counterparts’ environmental information when investing or
engaging in other activities with other corporations.

Article 5 (Responsibilities of Citizens)
Citizens shall strive to include environmental information as a consideration in investing
and other activities.

Chapter 2  Publication of information on the State of Environmental Consideration by
the State and Local Governments

Article 6 (Publication of information on the State of Environmentally Considerate
Activities of the State)
The heads of each ministry and agency (heads of each ministry and agency provided in
Article 20.2 in Law No. 34 of 1947; Public Finance Law) must publish each fiscal year
through the Internet or by other means information on the state of their environmental
consideration (including numerical data indicating the environmental load produced by
their administrative work or projects; hereinafter the same) with regard to the mandated
work of the respective ministry or agency for the previous year.
Article 7 (Publication of information on the State of Environmentally Considerate Activities of Local Governments)

The heads of each local government shall strive to publish each fiscal year through the Internet or by other means information on the state of their environmental consideration with regard to the mandated work of the local government for the previous year.

Chapter 3 Publication of information on the State of Business-Related Environmental Consideration

Article 8 (Recording Guidelines)

1 A competent minister must, after considering customary practices with respect to the publication of business-related environmental consideration and other situations, define the items that should be included in an environmental report and the method of filling in or recording the items (hereinafter referred to as the “Recording Guidelines”).

2 In defining the Recording Guidelines as outlined in the previous paragraph, a competent minister must solicit the opinions of corporations, academic experts, consultative bodies that they organize, or other organizations on the draft of the Recording Guidelines.

3 When the Recording Guidelines are defined in accordance with Article 8.1, a competent minister shall publish said guidelines immediately.

4 The previous three paragraphs shall apply mutatis mutandis to changes in the contents of the Recording Guidelines.

Article 9 (Publication of Environmental Reports)

1 Specified Corporations, in accordance with the Ministerial ordinance, must prepare and publish an environmental report each business or financial year.

2 In the environmental report released as outlined in the previous paragraph, Specified Corporations shall make efforts to prepare the report in accordance with the Recording Guidelines, and the Specified Corporations themselves must assess whether the environmental report has been prepared according to the Recording Guidelines or have the environmental report examined by another entity (as an examination to determine whether the environmental report is prepared in accordance with the Recording Guidelines; hereinafter the same), or take other measures in order to enhance the reliability of the environmental report.

Article 10

The assurance provider who provides assurance for the environmental report shall strive to be independent of the writers of the environmental report, and to maintain a framework that ensures fairness and accuracy when providing assurance for the environmental report while improving his or her skill as an assurance provider engaged in examining environmental reports.

Article 11

1. Large enterprises (referring to corporations other than small and medium-sized enterprises, excluding Specified Corporations) shall strive to publish an environmental report and other means of publication regarding their business-related environmental consideration. When preparing environmental reports, large enterprises should take into consideration the Recording Guidelines and other measures to enhance the reliability of the environmental report and other information concerning the state of environmental consideration.

2 The State shall provide information on the method of publishing information on the state
of environmental consideration and adopt other necessary measures to facilitate the release of the state of business-related environmentally considerate activities by small and medium-sized enterprises.

Chapter 4 Providing Information on Reducing the Environmental Load in Products

Article 12
A corporation shall strive to provide notification of products that contribute to reducing the environmental load and provide information on reductions in the environmental load related to such products.

Chapter 5 Promoting the Availability of Environmental Information

Article 13
1 The State shall provide information on persons collecting, organizing, and providing environmental reports, and adopt other necessary measures to promote the use of environmental reports.
2 In addition to the previous paragraph, the State shall provide technical advice and take other necessary measures to facilitate the use of environmental information by corporations or citizens investing or making use of products or engaging in other activities.

Chapter 6 Miscellaneous

Article 14 (Competent Ministers)
1 Competent ministers under this law shall be: the Prime Minister, the Minister of Public Management, Home Affairs, Posts and Telecommunications, the Minister of Finance, the Minister of Education, Culture, Sports, Science and Technology, the Minister of Health, Labor and Welfare, the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, the Minister of Land, Infrastructure and Transport, the Minister of the Environment, and other ministers that have competency over Specified Corporations.
2 The ministerial ordinance mentioned in this law means an order issued by a competent minister(s).

Article 15 (Interim Measures)
Any enactment or amendment of ordinances based on the provisions of this law may provide interim measures (including interim measures related to penalties) as deemed necessary within the bounds of rational judgment.

Chapter 7 Penalties

Article 16
A civil fine of up to 200,000 yen shall be imposed on executive officer(s) if a Specified Corporation fails to publish an environmental report, as provided in Article 9.1, or publishes a false report.
Supplementary Provisions

Article 1 (Date this Law takes Effect)
   This law shall come into force on April 1, 2005.

Article 2 (Interim Measures for Release)
   The provisions of Article 6 shall apply to the state of environmentally considerate activities for the fiscal years after and including FY2005.

Article 3
   The provisions of Article 9 shall apply to environmental reports for the business or financial year commencing after and including the effective date of this law.

Article 4 (Review)
   After three years from the effective date of this law, the State shall assess the situations related to the release of environmental reports and the implementation of other portions of this law, and when the necessity is recognized, review each provision of this law in order to adopt necessary measures based on those results.