

The 11th Tripartite Roundtable
on Environmental Industry



An overview of Japan's environmental policy

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1 . The importance of greening the market

Market greening measures

Why green the market?

- Nowadays environmental problems such as global warming, waste and biodiversity loss are rooted in a production and consumption structure which premises mass production, distribution, consumption and disposal.
- To combat this, it is imperative to change our current socio-economic system itself into one which is able to develop sustainably.

"Decoupling" of economic expansion and environmental impacts by taking advantage of market mechanisms.

Creating highly eco-efficient technology and products
Expanding new economic activity
Developing environmental technology
and progress in environmental protection

Realization of
virtuous circle for
environment and
economy

As a result, in the realm of "product, service, and finance", which are the cornerstones of a socio-economic system, people will choose the below options and the chance of sustainability will be increased.

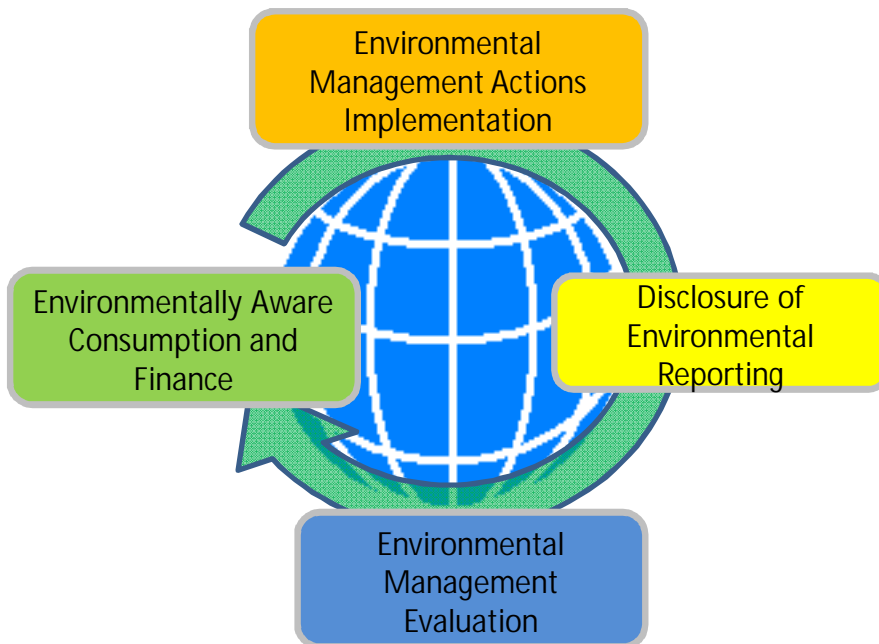
Environment-friendly products and services

Environment-friendly companies

Improvement of
market greening and
sustainability

Mechanism of promoting the green economy

- The businesses' environmental activities are evaluated by market mechanisms, efficiently developing further greening.
- Environmentally friendly companies will enjoy benefits leading to further environmental initiatives, imperative for the virtuous cycle of environment and economy.



"Environmental management Actions "
Companies implement environmental management



"Disclosure of environmental reporting"
Status of environmental management is disclosed



"Evaluating environmental management "
Evaluation of environment information by third parties



"Environmentally aware consumption and finance"
Environmentally friendly companies can obtain economical benefits

Those four should go hand-in-hand organically.

Status of market greening in Japan (environment-related market)

MOE estimated the environment-related business market size based on OECD classification of the environmental industry consisting of:

- A. Environmental Pollution Control** which has long history with pollution control measures,
- B. Environmental load reducing technology and products** which includes energy saving vehicles,
- C. Effective utilization of resources** which contains recycling, renewable energy, and natural environment conservation.

(Currency Unit : Hundred million Yen)

Environmental industry classification	YR 2009
A. Environmental Pollution Control	82,316
Producing devices and materials for pollution controls	11,935
Air pollution control	3,926
Wastewater treatment	4,811
Waste treatment	2,918
Soil cleanup and water purification (includes groundwater)	70
Noise and vibration control	25
Environment monitoring, analysis, assessment	185
Service offering	45,074
Wastewater treatment	8,767
Waste treatment	29,198
Soil cleanup and water purification (includes groundwater)	1,475
Analysis, Data collection, measure, assessment	2,276
Education, training, information offering	1,202
Others	2,156
Construction and installing devices	25,307
Wastewater treatment facility	23,844
waste treatment facility	745
Noise and vibration control facility	718

Environmental industry classification	YR 2009
B. Technology and product helping to reduce environmental load	266,802
Technology and process helping to reduce environmental load and Resource conservation	94,864
Product helping to reduce environmental load and resource conservation	171,938
C. Effective utilization of resources	367,386
Room air pollution prevention control	3,313
Water supply	28,039
Recycled materials	159,480
Renewable energy facility	6,360
Energy saving and energy control	20,668
Sustainable agriculture and fishery	12,799
Sustainable forestry	12,779
Eco tourism	18,337
Others(Nature protection, ecotop, biodiversity)	105,611
Grand Total	716,504

Environment business market size
YR 2009 72 trillion Yen

GDP of Japan: 474 trillion Yen (2009)

Policies for market greening

Policy examples

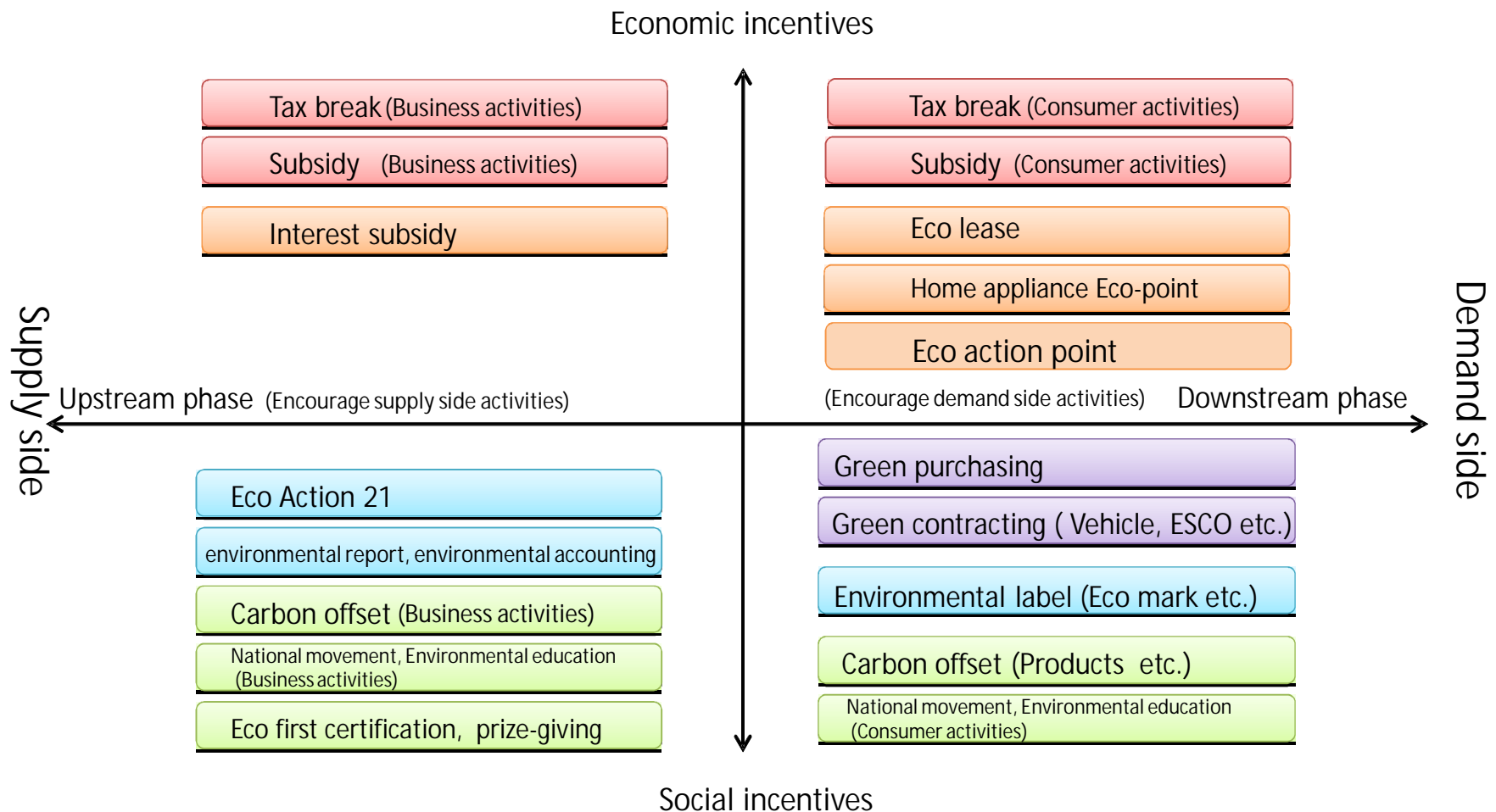
Perspective of the current policy of market greening
encourage environmentally conscious activity through

Supply side (upstream), Demand side (downstream)

[horizontal axis]

Incentives granted to bodies forming the market (economic – social)

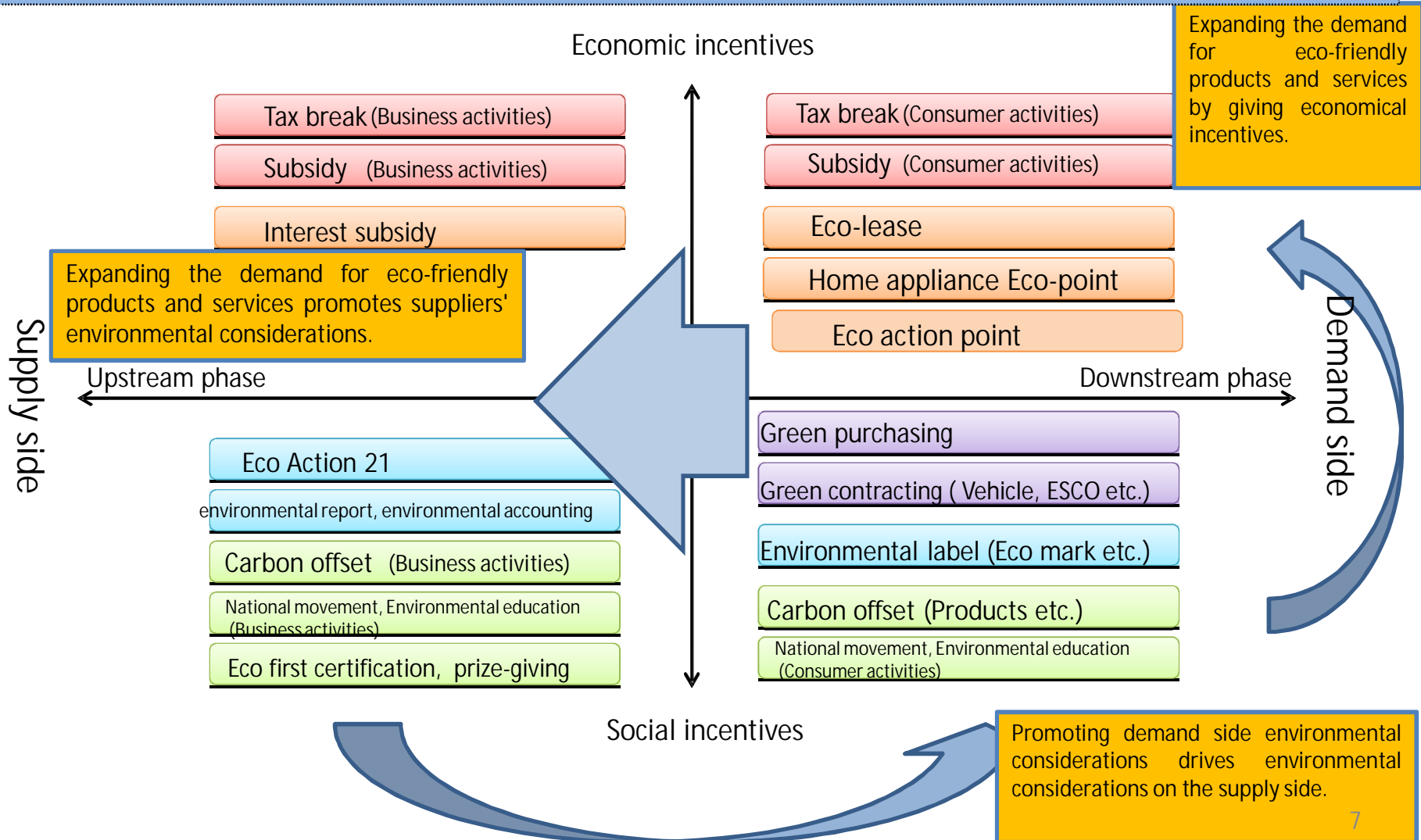
[vertical axis]



The aim of market greening policy

Accomplish virtuous circle of environment and economy

Environmental activities are evaluated through the market, leading to a greener society



2 . Policy measures to promote both demand and supply side actions (case examples)

Home appliance eco-point system

【Goal】

Encourage the global warming fight Economic rejuvenation Spread TVs compatible with digital broadcasting

【 Implementation period 】

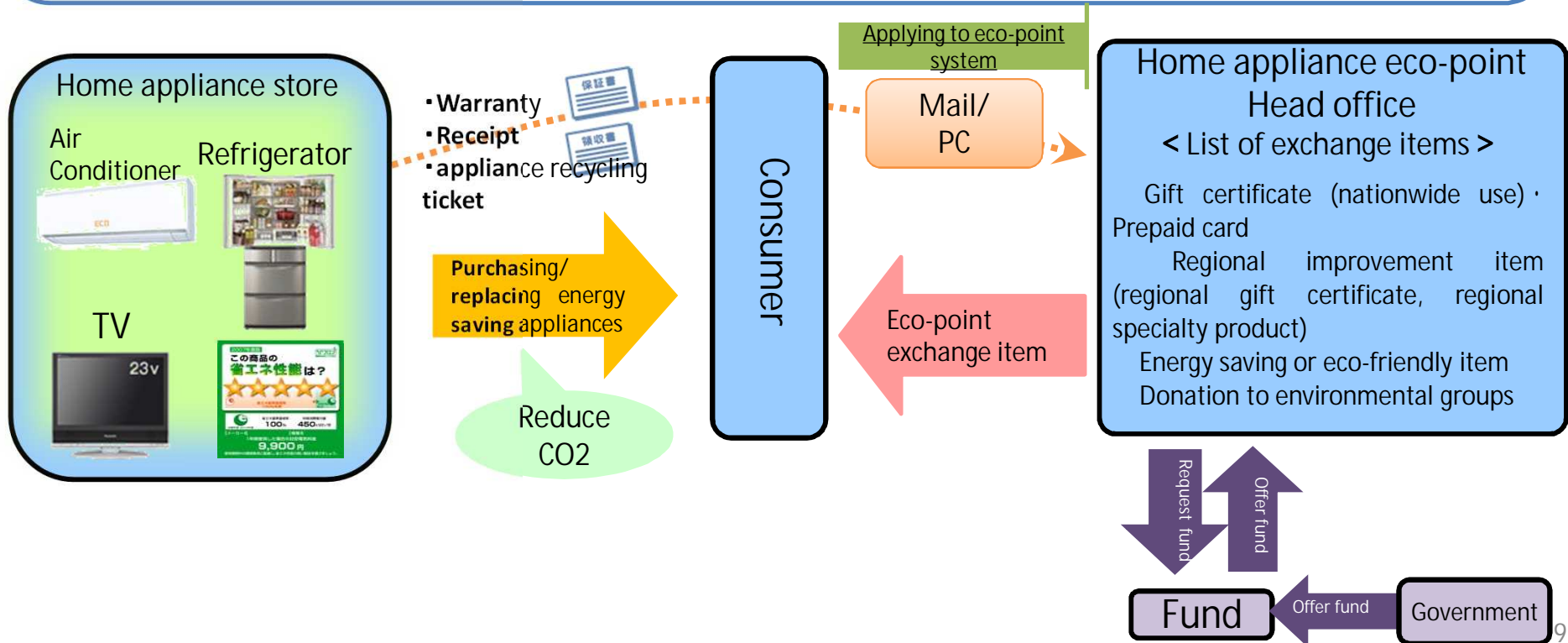
· Home appliance eco-point issuance period : Purchased from 15 May 2009 to 31 March 2011

【Budget】

Total : About 693 billion Yen

As of end of July 2011

- about 45.5 million accepted applicants
- 638.6 billion yen of issued points



Outline

MOE Project [2001 Budget : 2 billion yen]

- Utilize no-down payment leasing for households and corporations (SMEs) who find it difficult to bear the huge initial investment of introducing low-carbon equipment. This promotes the prevalence of low-carbon equipment and also creates a pleasant, environmentally friendly way of life.
- Specifically, 3% subsidy of lease fees in cases when low-carbon equipment is introduced via leasing.

Examples of eligible low-carbon items

For households : Electric vehicles, Solar Panels for housing, etc...

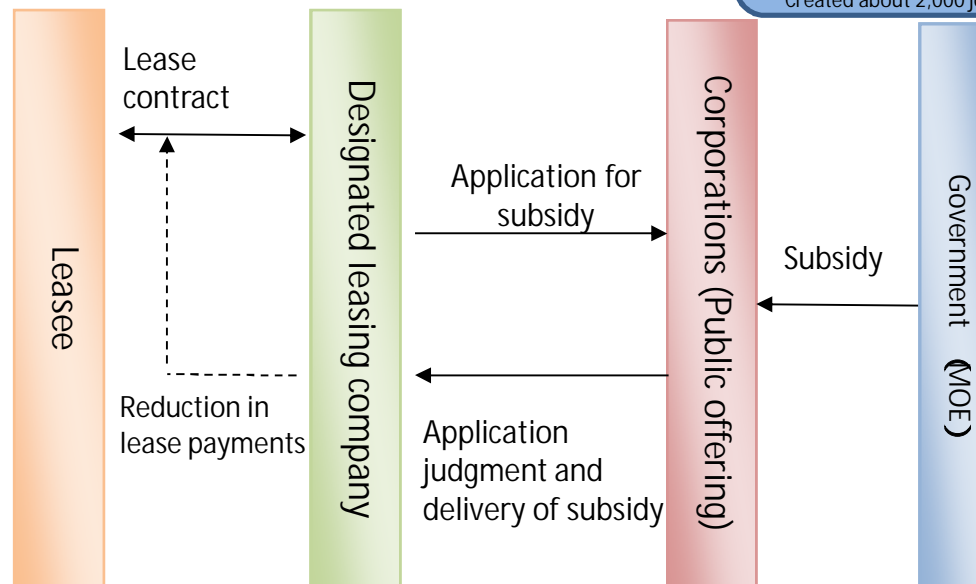
For corporations : High-efficiency boilers, lights, air-conditioners, solar panels, electric vehicles etc...

ECO-Leasing for Households and Corporations



No-down payment leasing helps package installation

Popularization of low-carbon equipment



~ What's the effect? ~
 Reduced about 260,000 tons of CO2 (Reduced about 50,000 households emission per year)
 Promoted environmental investment about 65 billion yen
 Created about 2,000 jobs



Challenge 25 campaign

For the 25% CO2 reduction goal both the government and people got together and launched the "Challenge 25 Campaign" to prevent global warming and transition into a low carbon society. The campaign was launched by the prime minister and environment minister of Japan.

The "Challenge 25 campaign" proposes 6 challenges to the people and broadly calls for their implementation at home, office and community.

As of 15th September 2011:

Individual challengers -- 858,869 declarations

Companies & Group challengers -- 21,895 groups



Call to replace appliances with energy saving alternatives

~ 6 challenges ~

- 6 challenges call for choosing energy saving products
- SUPER COOLBIZ calls for switching to energy saving home appliances
- Saving electricity! calls for energy-saving home appliances and lighting equipment.

**SUPER
COOLBIZ**

みんなで
節電
アクション!

-  **エコな生活スタイルを選択しよう**
Choose Eco-friendly life
-  **省エネ製品を選択しよう**
Choose Energy-saving appliances
-  **自然を利用したエネルギーを選択しよう**
Choose Natural energy
-  **ビル・住宅のエコ化を選択しよう**
Choose Eco-friendly residences
-  **CO2削減につながる取組や商品を応援しよう**
Choose Low carbon green products
-  **地域で取組む温暖化防止活動に参加しよう**
Participate in Community activities to prevent global warming

EMS promotion for SMEs(Eco Action 21)

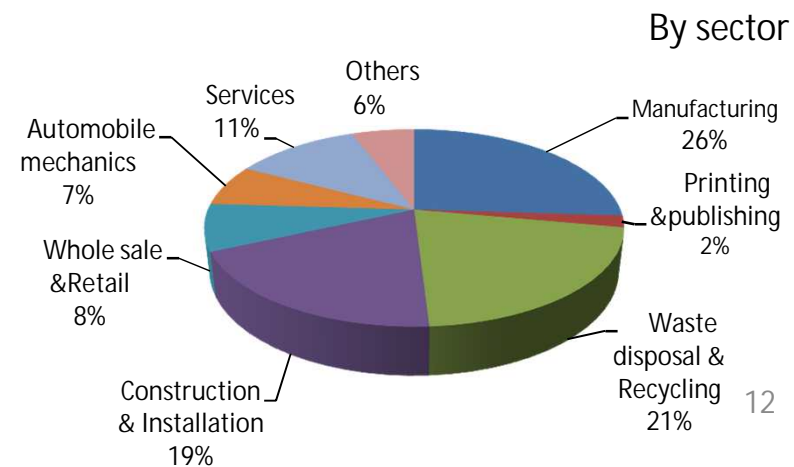
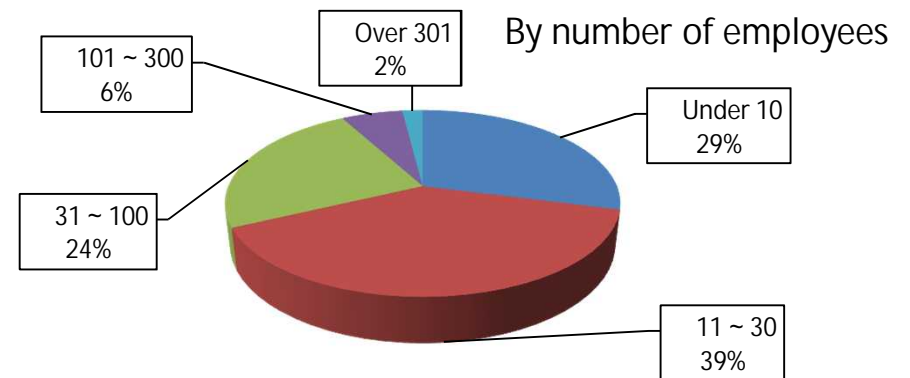
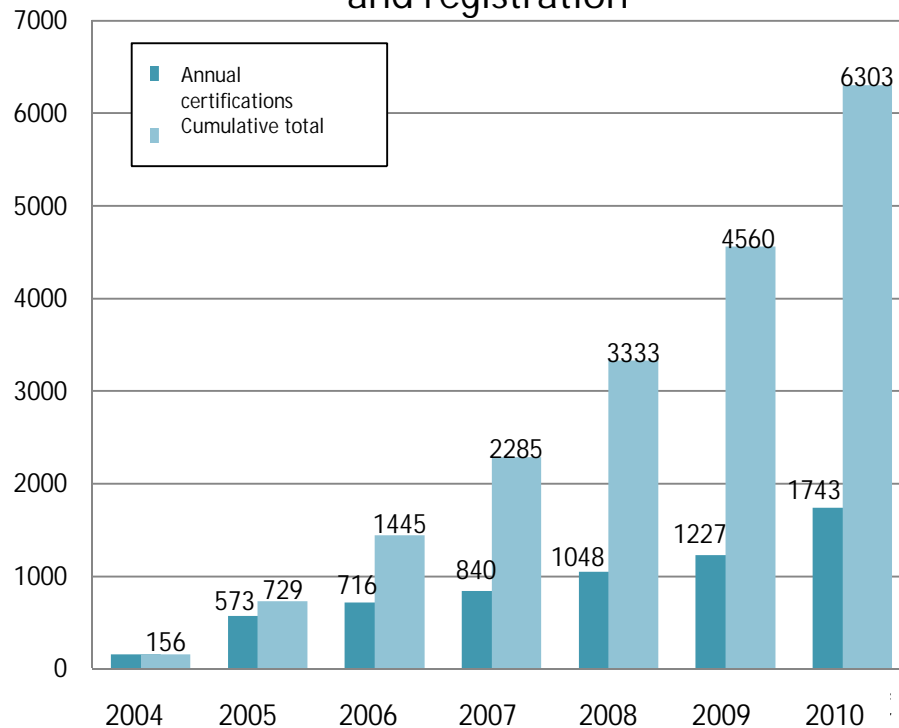
The MOE has formulated EMS guidelines for medium and small-sized companies based on the ISO 14001 Environmental Management Systems (EMS) standard.

20,357 organizations are ISO 14001 certified as of 1st OCTOBER 2010. (Japan Accreditation Board for Conformity Assessment (JAB))

To implement Eco Action 21, the MOE formulates guidelines explaining requirements and a checklist .

In addition to controlling and reducing use of greenhouse gases (GHG), waste and water use, and control of chemical substances, green purchasing and reduction in environmental load released from products are promoted. EA21 also allows companies to publicly report environmental results.

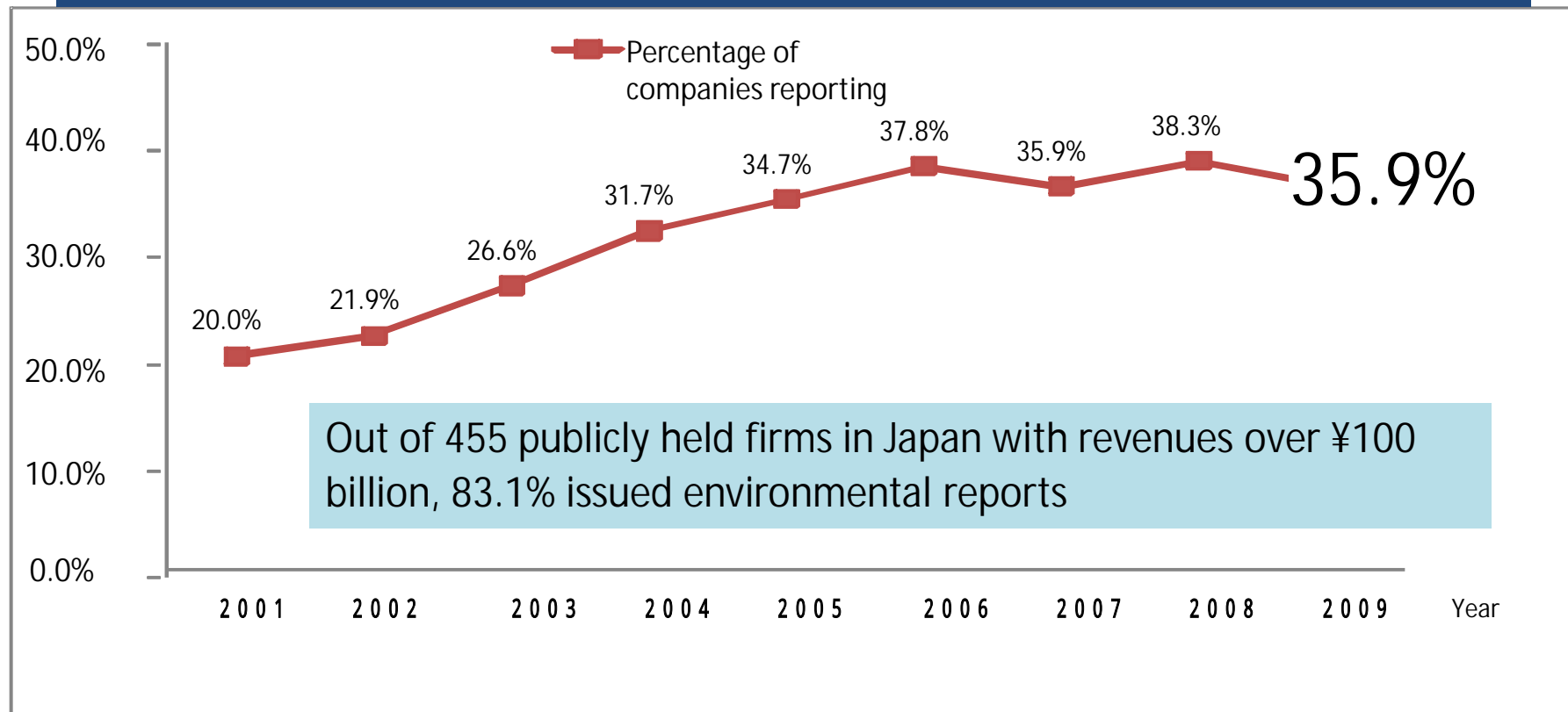
Current status of Eco action 21 certification and registration



Environmental Reporting

To promote environmental reporting, the MOE formulates reporting guidelines which will assist with environmental management and improve quality of public reports

Proportion of corporations publishing environmental reports (3036 responses)



2010 MOE survey of Environmental actions by corporations

Outline

◆ Mr. Takejiro Sueyosi (special adviser of UNEPFI) established the drafting committee in September 2010, with 25 financial institutions voluntarily participating as first members.

In October 2011, the drafting committee adopted “Financial principles of conduct for forming sustainable society(21st Century Financial Principle of Conduct)”.

Signature-collecting will start in November 2011

Framework

Principle

Operation, Securities,
Investment bank Guideline

Insurance Guideline

Deposit, Loan, Lease
Guideline

Principles

1. With the recognition of ones role and responsibility and taking a precautionous approach, make best efforts toward promoting a sustainable society through business.
2. The development of “industries contributing to a sustainable society” lead by environmental industry, and the offering of financial products and other services spurring competitiveness, to form a sustainable global society.
3. In order to develop regions and promote sustainability, corporations (SMEs) considering environment, citizens raising awareness for environmental issues, preparing for disasters, and community activities should be supported.
4. To form a sustainable society, it is important for stakeholders to work together and not only participate but play a proactive role.
5. Not only observing environmental laws and regulations but also reducing environmental burdens proactively as working on energy and resources conservation, and furthermore continuing to try to reach out to suppliers.
6. Recognizing boosting sustainability in society as a business challenge, and continuing to disclose information.
7. In order to implement above mentioned activities proactively in daily operations, executives and employees should improve their awareness of environmental and social issues.

The Minister of the Environment operates “Eco-First system” for Corporations, which promotes initiatives for environmental conservation. It is **a system promising always to take initiative for the environment**, ie: global warming, prevention and measures for waste and recycling.

38 corporations certified since 2008.

【Outcome】 (how corporations utilize the system)

Use of Eco-First mark by certified corporations, for example in environmental report, product brochure, leaflet, business card, CM etc..(registration system)

Certified corporations collaborated activities made the system active etc...



(Eco-First mark)

【Voice of certified corporations】

Thanks to the “Promise to the Minister of the Environment”, executives and employees easily embraced the system.

Using Eco-First mark has strong appeal to customers and competitors.

Good chance for certified corporations to work together for environmental related businesses.

< Example: Use of Eco-First mark >

環境大臣認定 **ビックカメラ**
環境先進企業として
『エコ・ファースト』第1号に選ばれました



自らの環境保全に関する取組を約束し、『エコ・ファースト・マーク』の使用を認定されました。

ビックカメラの環境保全活動
エコ・ファーストの約束

1. 家電リサイクルを適正かつ積極的に推進します。
2. 循環型社会の形成に向けた取組を積極的に推進します。
3. 地球温暖化の防止に向けた取組を積極的に推進します。

環境と家計にやさしい 省エネ家電に買い替えて
CO₂排出量を削減しよう!!

ビックカメラ



(ANA airplane with green Eco-First mark)

Recognition

To promote businesses' environmental activities, MOE offers various commendations and awards:

Green Purchasing Award (Host: Green purchasing network [GPN])

Disseminating case examples widely and promoting green purchasing, the green purchasing award has been given to nation-wide organizations since 1998.

Eco Products Awards (Host: Eco Products Awards promotion Committee)

In order to promote environmentally friendly products and services (eco-products in Japan), awards go to eco-friendly yet practical, creative, and socially acclaimed products since 2004.

Environmental Communications Awards (Host: Global Environmental Forum (GEF), MOE)

Awarding outstanding environmental communication since 1997.

Eco Japan Cup (Host: the Ministry of the Environment, Ministry of Internal Affairs and Communications, Development Bank of Japan, Sumitomo Mitsui Banking Corporation, Environmental Business Women)

A contest to find growing eco-businesses and award model corporations, SMEs and venture companies for outstanding environmental business plans (including self-employed and NPO) since 2006.

Nikkei Advertising Awards Commendation Ceremony (Host: Nihon Keizai Shimbun Inc.)

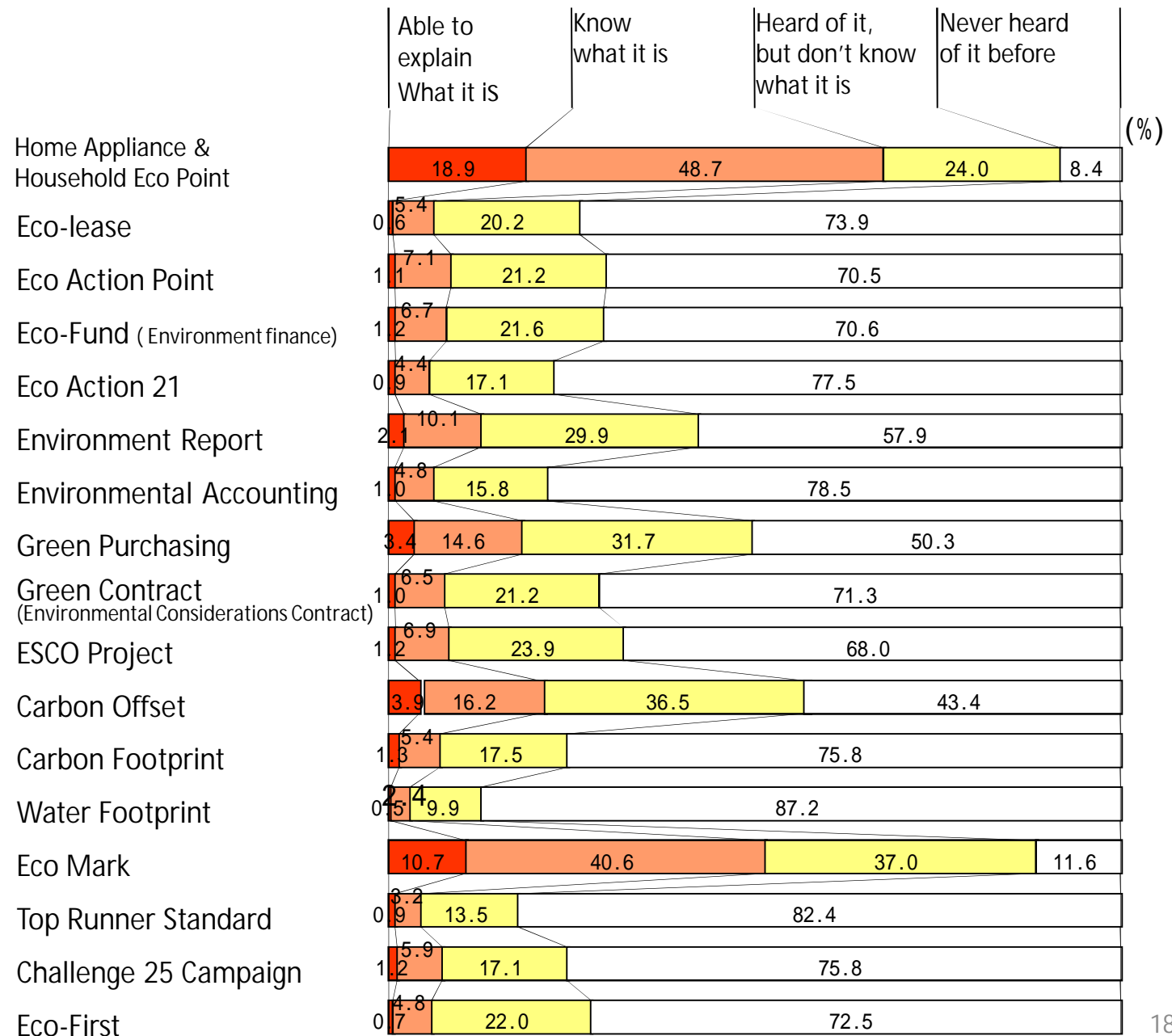
Recognizing excellent advertising that is ahead of its time and a trend-setter for others since 1952.

(Nikkei Awards include Environment Minister's Award as one section)

3 . Current issues and policy direction

Visibility of Environmental Policy

(n = 20574)



Direction of Policy

(1) To promote medium-and-small-sized business's (SMEs) environmental management

In light of global perspective, further promoting SMEs environmental management to create a system contributing to the growth of Japanese economy.

(2) Criteria for superior eco-friendly products

Giving the opportunity for leading companies to differentiate own products and services to others and make an appeal their spirit of innovation, which promotes constant green innovations.

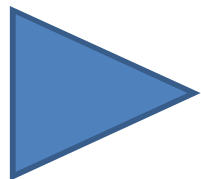
(3) Provide easy to understand environmental information to users

Examine how to provide easy to understand information on the environmental activities of businesses to consumers, investors, etc.

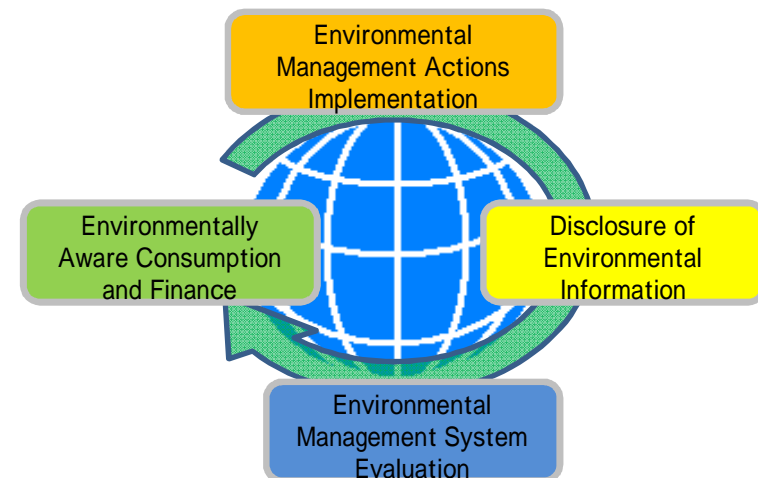
Further examine how to make use of information technology (ICT)

(4) Policies should be coordinated for optimal effect

Initiatives for environmental financing, environment reporting, green purchasing, and economic incentives should work together towards the same goal.



Creating a mechanism where environmentally conscious businesses can benefit



チャレンジ
未来が変わる。
日本が変える。 25 

Thank you
for your attention