

<Release>Carbon Pricing Proposal by Japan Climate Initiative (JCI) Members  
**Toward Simultaneous Achievement of 2030 GHG Emission Reduction Targets and  
Enhanced International Competitiveness**

5 December 2023

**Improving the current plan of carbon pricing so that it can achieve emission reductions  
equivalent to the international level in Japan**

Japan Climate Initiative (JCI) today released the proposal, “Carbon Pricing Proposal by Japan Climate Initiative (JCI) Members: Toward Simultaneous Achievement of 2030 GHG Emission Reduction Targets and Enhanced International Competitiveness” (Annex 1). It is endorsed by 186 organizations (140 companies, 9 local governments, 37 organizations and NGOs, etc.) (Annex 2).

This proposal aims to introduce carbon pricing able to halve greenhouse gas emissions by 2030 in Japan, paving the way for its internationally competitive economy. To this end, this proposal calls for six principles including the following that should be fulfilled in the future design of the system, improving the current government proposal.

- Bringing the schedule of the introduction forward to around 2025
- Aiming sufficient carbon price in 2030 such as USD 130 / t-CO<sub>2</sub> indicated by IEA
- Rebuild the system into a cap-and-trade type emissions trading system on a par with global standard by setting a limitation as a cap on total emissions in targeted sectors and obligating the companies to participate in the system and reduce emissions, rather than leaving it up to companies' own initiatives.

**Widely endorsed by 61 Tokyo Stock Exchange prime companies and other large  
corporations, local governments, consumer and religious organizations, NGOs, etc.**

While the year 2030, a critical milestone to achieve the 1.5 °C goal of the Paris Agreement, has been approaching, it is the first time in Japan that Japanese multi-sectors such as companies, local governments, and organizations present a specific form of carbon pricing under the banner of their individual organization names.

The list of endorsing companies includes many leading Japanese companies, together with 61 Tokyo Stock Exchange prime-listed companies, in a wide range of fields such as IT, materials, machinery, electric/electronic equipment, pharmaceuticals, telecommunications, food, retail, construction, and finance and insurance. The Japan Climate Leaders' Partnership, a corporate group actively promoting climate action, also endorsed the proposal.

Among local governments, Omihachiman City, Kawasaki City, Kyoto City, Sapporo City, Setagaya Ward, Tokyo Metropolitan Government, Toyonaka City, Hamamatsu City, and Musashino City have endorsed. In addition, various non-state actors such as

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CONSUMERS.JAPAN, Soka Gakkai, universities and research institutes, NGO/NPOs, and youth groups have also expressed their endorsement.

## **A strong sense of crisis and urgency has brought the efforts of non-state actors to a new phase of "advocacy".**

The active involvement in the study process of this proposal and the growing circle of the endorsement for it are symbol for a new phase in the decarbonization efforts of non-state actors, such as companies, extending to advocacy for concrete policy changes in government. At the same time, these facts strongly show that so many non-state actors share a sense of crisis and urgency about the current status of carbon pricing and emission reductions in Japan.

The Japanese government should sincerely listen to these non-state actors. At this very moment, COP28, is being held from 30 November 2023. There, as an outcome of the Global Stocktake, the progress evaluation system of the Paris Agreement, a political message is expected to be sent to the Parties urging them to further strengthen their emission reductions targets and policies. It is now obvious to everyone in the international community that much more acceleration of climate actions is needed all over the world. As its inevitable part, JCI calls on the Japanese government to introduce a carbon pricing system in Japan that satisfy the six principles in the proposal without missing the right moment.

### ■ Full text of the message and the endorsers' list (also see annex 1 and 2)

<https://japanclimate.org/english/news-topics/cp-proposal/>

### ■ Comments from the endorsing members (in alphabetical order)

#### **Sachihiko Harashina, President, Chiba University of Commerce**

Decarbonization requires a shift to a natural energy society that uses neither fossil fuels nor nuclear power, but renewable energy derived from natural systems. Society operates with planning and freedom, and carbon pricing that utilizes market mechanisms will accelerate decarbonization toward the 2030 goal. However, if only some actors voluntarily take action, such honest people might end up losing money. Market systems will work well only if there are proper rules, and everyone follows the rules. In order to create a society that allows diverse actors to promote CO2 reduction under fair rules, it is essential to introduce carbon pricing as an economic system.

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## **Daisaku Kadokawa, Mayor of Kyoto City**

Kyoto City is working to create a "Zero Carbon Ancient City Model" to achieve zero CO<sub>2</sub> emissions from the civilian sector by 2030, and to enhance regional strength by decarbonizing Kyoto's culture and lifestyle. There are only six years remaining until 2030.

In order to accelerate the shift to clean energy and achieve the common global goal of 1.5°C, it is imperative to quickly introduce a fair and effective carbon pricing system that allows all stakeholders to promote emission reductions.

Let us work together to achieve a prosperous decarbonized society.

## **Mikako Suzuki, Corporate Officer in charge of ESG and Risk Management, ESG Strategy Division, RICOH COMPANY, LTD.**

The climate crisis is becoming more serious to the point of being called global boiling. We all must share a renewed awareness that our efforts by 2030 will greatly affect the future of our planet, taking concrete and rapid actions. To this end, it is necessary to mobilize all systems and policies including carbon pricing that contribute to the achievement of the 1.5 degrees Celsius goal to support the efforts of local governments, companies, and citizens.

Also, actions to help achieve the 1.5 degrees Celsius goal are becoming a requirement in all aspects of business, and a delay in Japan's efforts will have a negative impact on the competitiveness of Japanese companies. The Ricoh Group will continue to work with all stakeholders to promote climate actions and advocacy to realize a decarbonized society.