The Outline of Japan Climate Initiative

- I. Japan Climate Initiative aims to accelerate climate action by non-state actors such as companies, financial institutions, local governments, research institutions, NGO/NPOs and other organizations except for the national government.
- II. The abbreviation for Japan Climate Initiative is JCI.
- III. JCI consists of the non-state actors and their associations (hereinafter referred to as "members") that endorse annex 1 "The Declaration" and meet annex 2 "Actions required of each organization for participation". However, JCI reserves the right to refuse participation if the organization's participation is determined to undermine JCI's reputation as a network pioneering in taking climate action.
- IV. JCI will conduct the following activities.
- A. Basic activities expected of all members
 - Take positive voluntary climate actions
 - Participate in opportunities to share their own climate efforts, knowledge and experiences with other members.
 - · Participate in the Japan Climate Action Summit that JCI holds annually.
- B. Optional activities that each member can conduct as needed
 - Participate in seminars and workshops organized by JCI or its members
 - · Participate in international events such as the UN Climate Summit and COP
 - Endorse statements and proposals on climate action
 - · Participate in dialogues with the national government
- C. Secretariat activities
- · Manage the JCI website
- Issue newsletters to JCI members (about once a month)
- Increase membership / Approve member participations
- · Media relations
- · Make annual activity plans and secure financial resources
- V. JCI sets up a Steering Committee, a Secretariat and the Representatives for its smooth operation. The Steering Committee and the Secretariat consist of the organizations in annex 3.

A. Steering Committee

The Steering Committee elects representatives and determines annual activity plans.

B. Secretariat

The Secretariat conducts daily operations, prepares annual activity plans and climate action statements and proposals, and secures financial resources for the operations.

C. Representatives

The Representatives represent JCI and join discussions and decision makings of the Steering

Committee.

The Representatives serve two-year term and re-election is not precluded.

- VI. A member shall be disqualified in any of the following cases.
- A. If the member expresses to the Secretariat its intention to withdraw from membership
- B. If the member goes bankrupt or is dissolved
- C. If the Secretariat cannot contact the member's contact person for more than one year
- D. If the Steering Committee determines that the organization's participation would damage JCI's reputation as a network pioneering in taking climate action.

Supplementary Provisions

This outline shall come into effect as from 1st of June, 2018.

The amending outline shall come into effect as from 18th of January, 2019.

The amending outline shall come into effect as from 15th of June, 2021.

The amending outline shall come into effect as from 20th of February, 2024.

DECLARATION

"Joining the front line of global trend for decarbonization from Japan"

We, as non-state actors such as companies and local governments, pledge to stand at the forefront of global challenges in order to realize the decarbonized society envisioned by the Paris Agreement.

The Paris Agreement is an epoch-making international agreement which was the first to set the goal of net zero emission of greenhouse gases. Whether this goal will be achieved or not will affect the survival of human beings. At the same time, the transition to a decarbonized society agreed under the Paris Agreement will generate new opportunities for growth and development. Also, these efforts in support of decarbonization share the same aims as the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015.

The Intergovernmental Panel on Climate Change (IPCC), in its 1.5°C Special Report released in October 2018, revealed that we need to limit the average temperature rise to less than 1.5°C, not well below 2°C to avoid a serious climate crisis, and to reach that goal, we must halve global carbon dioxide emissions by 2030 and reduce them to net-zero by 2050.

As the 1.5°C target spreads around the world, the Japanese government also declared in October 2020 that it would aim to reach carbon neutral by 2050. In addition, in April 2021, the government announced that it would aim to reduce greenhouse gas emissions by 46% by fiscal 2030 and pursue a further challenge of a 50% reduction.

We believe that Japan can and should play a greater role in the world in realizing a decarbonized society primarily through promotion of energy efficiency and expansion of renewable energy. The Japanese government needs to make policy changes that enable it to halve emissions by 2030 and achieve net-zero emissions by 2050. In particular, to raise its 2030 renewable energy target to 40-50% and prompt phase out of coal-fired power generation will be necessary to achieve the targets. We are firmly convinced that expanding and accelerating efforts toward a decarbonized society and setting an example for international society will bring significant benefits to Japan itself.

In order to realize the goal of the Paris Agreement, Japanese non-state actors are making efforts to play active roles in pursing more ambitious goals than the official commitment of the Japanese government. Many Japanese companies have already committed to "SBT" (Science Based Targets) and RE100. Local governments with a combined population of more than 100 million people have declared net-zero carbon emissions by 2050, set even more ambitious 2030 targets, and are introducing pioneering policies to achieve them.

We will enhance our efforts that contribute to realizing net-zero by 2050 to demonstrate global leadership in achieving the 1.5°C target through increasing energy efficiency, accelerating use of renewable energy in our own activities, and deepen collaborations among domestic and international non-state actors.

We will serve as a bridge between Japan and the world in the effort to overcome the crisis of climate change.

Annex 2

Actions required of each organization for participation (one of the following must be taken before participation.)

- 1. Committed to RE100, SBT, or Race To Zero.
- 2. Listed in the CDP A List.
- 3. Participated in the Net Zero Asset Managers Initiative (NZAM) or Net Zero Asset Owner Alliance.
- 4. Endorsed TCFD.
- 5. Set and disclosed either or both of the following targets. reduce of Scope 1 and 2 GHG or CO2 emissions by 46% or more (compared to 2013 levels, including targets comparable in a different base year) by 2030. increase renewable energy sources to at least 40% of its own electricity use by 2030.
- 6. Established and announced its policy to work toward the realization of one of the following goals as stated in the revised declaration: net-zero GHG emissions by 2050, halving GHG emissions by 2030, or using 40-50% of renewable energy sources by 2030.

*Notwithstanding the above, JCI reserves the right to refuse participation if the organization's participation would be judged to undermine JCI's reputation as a network that are taking a leading role in addressing climate change.

June 15, 2021

Annex 3

Steering Committee consists of the following organizations.

- · CDP Worldwide Japan
- · ICLEI Japan
- Japan Climate Leaders' Partnership (Japan-CLP)
- · Network of Business Leaders and Entrepreneurs for a Sustainable Business and EnergyFuture
- The Frontier Network (TFN)
- Renewable Energy Institute
- WWF Japan

Secretariat consists of the following organizations.

- · CDP Worldwide Japan
- · Renewable Energy Institute
- WWF Japan