
NET-ZERO BY 2050 IN JAPAN: LONG-TERM CERTAINTY FOR ECONOMIC PROSPERITY

The global business community has high expectations for Japan. As host of the 2019 G20, and a major economy with technological strength and solutions, Japan can demonstrate global leadership by developing a strong long term growth strategy which charts a clear path to net-zero emissions in Japan by 2050 at the latest.

The effects of climate change are already being felt across the world. The latest science from the IPCC makes it clear that global net-zero emissions by 2050 is possible and necessary to achieve the Paris Agreement's 1.5°C goal. Business remains firmly committed to the Paris Agreement, recognizing that achieving its aims is critical to a prosperous future for their businesses, employees and customers. Further clarity on the path governments intend to take to achieve its goals will provide the certainty they need to accelerate their actions and investments.

Through the We Mean Business coalition Take Action Platform, hundreds of leading businesses from all over the world, representing US\$16.9 trillion in market capitalization, equivalent to 20% of global GDP, are already taking bold climate action: committing to sourcing 100% renewable electricity, promoting electric vehicles, increasing energy efficiency and setting science-based emissions reduction targets in line with the Paris Agreement, with many already setting their own net-zero by 2050 strategies. These businesses are harnessing climate action as a driver of innovation, competitiveness, risk management and growth.

The transition to a climate-safe world with net-zero emissions is unstoppable and has already begun. Examining operations, supply chains and business models highlights the opportunities for innovation and efficiency. Businesses that are reinventing their operations to be fit for the future are positioning to be leaders for the markets of tomorrow, ensuring they are competitive, relevant and profitable. They recognize that the transition to a low-carbon economy is the only way to secure sustainable economic growth and a resilient and prosperous future for their businesses, employees and customers.

While many businesses recognize the strategic imperative to act on climate, not all are acting, and those who are could go further faster. Often they are slowed down or disincentivized by a lack of clear, long-term signals and supporting policies from governments to drive the transition at the required pace and scale. Japan should now seize the opportunity to be a global leader in the zero carbon economy, and provide that clarity, through its long-term growth strategy. Many global businesses have operations in Japan and see Japan as an important market. Ambitious long-term strategies that inform shorter-term government policy play a critical role in informing business decisions, encouraging the investment and creativity that will help build a zero emissions and climate-resilient future, and avoiding stranded assets and mis-investments.

We welcome the recently approved Strategic Partnership Agreement which will boost dialogue and cooperation between the European Union and Japan on climate change. With the recent release of the EU strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy by 2050, we encourage both leading economies to work together to accelerate the transition to the zero carbon economy.

Recognizing this, we call on Japan to develop a strong, credible and appropriate 2050 strategy that:

1. Is consistent with the Paris Agreement's goals and the UN Sustainable Development Goals and aims for net-zero domestic emissions by 2050 at the latest.
2. Gives predictability while ensuring certainty for business, by measures such as a stepwise introduction of carbon pricing, so that business can take robust actions towards a net-zero transition.

3. Has clear mid-term milestones and the pathways to achieve the agreed goal.
4. Is developed and implemented in an open, transparent and consultative way, with governments working in partnership with all stakeholders including businesses, civil society, employers, investors, trade unions, sub-national, regional and local authorities, to ensure a just transition for workers and society.
5. Will be regularly reviewed, in line with the Paris Agreement cycle, to ensure they are kept up to date, reflect the latest scientific and economic, technological developments and system transformations, and are on track to achieve the agreed goal.
6. Is reflected in updated financial disclosure requirements so that capital markets can align investments with zero-emissions goals.

Businesses that have placed climate action and sustainable business models at the heart of what they do are actively building the economy of the future. They believe that climate risk can be successfully managed, and that the transition to a net-zero emission economy will create new economic opportunities. To harness these opportunities, governments and businesses must work together to ensure that good quality plans aligned with the ambition of the Paris Agreement are created and implemented making clear how the goals of Paris Agreement will be pursued and achieved.

We Mean Business (WMB) is a coalition of nonprofit organizations working with the world's most influential businesses to take action on climate change. WMB has seven founding partners: BSR, The B Team, CDP, Ceres, The Climate Group, The Prince of Wales's Corporate Leaders Group, and the World Business Council for Sustainable Development. Together we catalyse business leadership to drive policy ambition and accelerate the transition to a low-carbon economy. Over 820 leading businesses are committed to bold climate action through our Take Action campaign, accounting collectively for emissions equal to that of India and combined market capitalization equal to 20% of global GDP.