

# The Current State and an Analysis of Industry Response to Global Environmental Issues

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Although society has benefited from affluence, convenience and comfort due to the remarkable advances in science and technology in recent years, these same advances have seen the rise of new damage and strains such as global warming, destruction of the ozone layer and acid rain, as well as atmospheric pollution, water pollution and other usual environmental problems.

In order to build a society in harmony with the environment under these circumstances, it is essential that each member of society, including citizens and corporations, take action with a view to the preservation of the global environment and protection of the ecology and resources, such as the active use of environmentally-friendly science and technology.

In recognition of this, this study aims to contribute to the promotion of corporate efforts to tackle global environmental issues and clarify the actual state of those efforts and related issues, as well as create an assessment chart for corporations themselves to conduct an overall evaluation of their approaches.

A summary of this is presented herein.

## I. Study Method

The study was conducted based on the results of the following questionnaire and aural surveys.

### A) Questionnaire

Subjects: 500 stock companies listed on the first and second divisions of the stock exchange (selected at random).

Responses - 263 companies.

### B) Aural surveys

Subjects: 4 vehicle and electrical appliance manufacturers

#### 1. Current State, and Issues Relating to, Corporate Approaches to Global Environmental Issues

(1) Most companies raised "social responsibility" as their reason for tackling global environmental issues.

We surmise that this reflects the growing recognition that consideration towards the global environment, based on reconciliation with society, is essential in corporate activities.

(2) Corporate approaches center on energy and resource conservation and other methods that constitute highly effective investment, as well as enacting regulations, while they tend to be weaker in the area of securing safety and maintaining ecosystems.

(3) Around 90% of companies cited higher costs and drops in production efficiency that follow new capital investment as problems when tackling global environmental issues, with the majority raising mismatches with market needs and lack of technological infrastructure.

(4) As social conditions for the promotion of efforts to address global environmental issues, companies seek public funds and financial assistance from the central government and local authorities, and acceptance of cost hand-downs and a review of lifestyle from citizens. In

addition, they also believe the industrial world itself should review the emphasis placed on cost and efficiency.

There are also high expectations of the central government and local authorities for the promotion of environmental education and promotion of efforts for technological development and other tasks that companies would have difficulty addressing alone.

## 2. Creation of an Assessment Chart for Efforts Towards Global Environmental Issues

### (1) Creation of an assessment chart

To further promote corporate efforts towards global environmental issues, objectively ascertaining and assessing those efforts, is important, particularly self-recognition of the current state by corporations.

In addition to providing criteria for determining the level of "reconciliation with society" with which companies in Japan are responding to global environmental issues, this study has created an assessment chart which allows companies to conduct self-diagnosis of the motives for taking measures, their approach to the measures and the actual state of the measures.

### (2) Implementation of Company Evaluations Using the Assessment Chart

Assessments were made using the assessment chart of companies which responded to the questionnaire.