

Efforts Toward Carbon Neutrality (CN)

Carbon neutrality (CN) is an important issue that will change the structure of the entire supply chain and may also affect employment, thereby shaking the very foundations of the Japanese automotive industry.

The CN Subcommittee of JAPIA was established in April 2021, and in its first year of activities, the Subcommittee focused on understanding the actual situation of and promoting understanding among member companies based on the following policy and direction of activities.

1. Policy and Activity Direction

<Policy>

We, as a member of the automotive industry, will do our utmost to meet the government's "2030 Emission Reduction Target," "2035 Green Growth Strategy," and "2050 Carbon Neutral" targets.

<Direction of Activities>

To plan and promote activities such as understanding the issues and needs of member companies, responding to issues and providing useful information, promoting measures in cooperation with related organizations, and making various requests to the government.

2. CN activities in FY2021

(1) CN Fact-Finding Questionnaire

Conducted a questionnaire survey to grasp the awareness of CN, issues, requests, etc., and to consider providing information to member companies and making policy requests to the government. The results of the survey were used to organize and clarify issues that should be addressed by JAPIA.

Period: May 24 - June 23, 2021

Target: All member companies 370 (192 large companies,
178 small and medium-sized companies)

Status of responses:

197 companies responded (53% response rate)

Domestic and large companies: 123 (64%),

small and medium-sized companies: 74 (42%)

(2) Various seminars

To promote member companies' understanding of CN, seminars were held from various perspectives, including basic knowledge, specialized fields, industry-specific trends, and international affairs. (20 seminars in total)

June 2021 "Status of Initiatives in the Automotive Industry Toward CN"
June 2021 "Global CN Accelerated by LCA"
July 2021 "Further Specifics of the Green Growth Strategy"
July 2021 "SDGs and Business/ESG Assessment in the Age of Decarbonization"
July 2021 "ZEV Strategy of the Global Automotive Industry"
August 2021 "Impact of CN" (1) All Industries
September 2021 "Impact of CN" (2) Automotive Industry
September 2021 "Energy Policy Toward CN"
October 2021 "Business Transformation for CN"
November 2021 "Response to CN utilizing Environmental Management System"
November 2021 "Recent Situation in the EU"
November 2021 "What Suppliers Should Do to Achieve CN"
November 2021 "LCA Guidelines and Load Calculation Tool"
December 2021 "Recent Developments in Europe, the U.S., and Major Asian Countries"
December 2021 "Sustainability Management to Enhance Corporate Value"
January 2022 "Trends in EU Climate Change Countermeasures"
February 2022 "Automotive Industry Trends in Light of CN"
February 2022 "Fundamentals of CN Promotion"
March 2022 "Lecture and Case Study on Energy Conservation"
March 2022 "Accelerating Electrification and Collaboration in the Motorcycle Industry toward CN"

(3) Creation and development of "Basic Knowledge for CN Promotion"

In the process of promoting CN, some member companies voiced their concerns, such as "I don't know where to start." The SME Committee and the CN Subcommittee collaborated to develop a "Basic Knowledge for CN Promotion".

"Basic knowledge for CN promotion"

- Basic knowledge of CN
- How to calculate your company's CO2 emissions
- Examples of CO2 reduction activities in your company

(4) Lobbying the government

Utilizing opportunities such as individual requests to the government and ministries and various public comments, we firmly appealed to the government with the requests made in the CN Fact-Finding Survey questionnaire.

*Requests to the government (example)

- Energy policy and financial support:

Support for low-cost and stable use of renewable energy, and support for cost burdens arising from the conversion to CN

- Development support:

Technology development support for energy use efficiency, CO2 capture and

reuse, storage batteries, material development, etc.

- Clarification of rules:

Coordination toward the establishment of international rules for calculating CO2 emissions and reductions

- Support for business creation/transformation:

Establishment of infrastructure that SMEs can easily consult with, support for financial and human resource development, etc.

【Individual requests to the Ministry of Economy, Trade and Industry (METI)】

In September 2021, The results of the CN survey questionnaire were shared with the members, and the future responses of the Industrial Association of Japan (IAAJ) were also presented.

【Response to various public comments】

In October 2021, we submitted requests in writing as public comments on the government's "Sixth Basic Energy Plan (draft)," "Global Warming Countermeasures Plan (draft)," and "Long-Term Strategy as a Growth Strategy Based on the Paris Agreement (draft).

【Tax Reform Requests for FY2022】 January 2021

A written request to the Ministry of Economy, Trade and Industry (METI) and the Komeito Political Research Committee, incorporating tax support for corporate R&D and capital investment in order to accelerate and promote CN. Requests were also made to the LDP's Parliamentary Association for Automobile and Policy Research Council.

(5) Collaboration among the Five Automotive Industry Organizations

The five automotive industry associations played a central role in collaborative activities to study solutions for CN for the entire automotive industry.