
**Status of corporate-level GHG measurement and Reporting in
Japan and introduction of Joint Crediting Mechanism (JCM)**

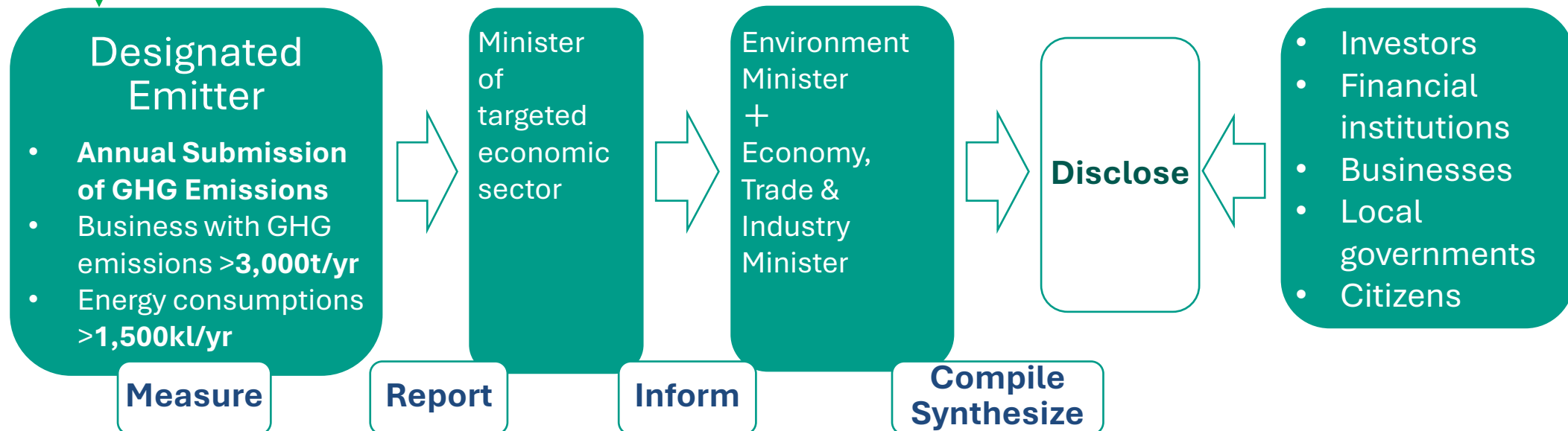
January 13, 2025
Ministry of the Environment Japan

Managing Corporate GHG Emissions in Japan

The Act on Promotion of Global Warming Countermeasures

- **Enacted:** November 1998
- **Latest Amendment:** 9th (2024)
- **Aim:** Promote the reduction of GHG emissions from socio-economic activities to stabilize atmospheric GHG concentrations and prevent global warming.

- Government Action Plan, Local Government Action Plan
- **Mandatory, Annual Corporate GHG Emissions Reporting** *It is called “**SHK**”
- Establish Japan Green Investment Corp. for Carbon Neutrality (JICN) etc.



Duration: Two years → A year

Current Status of SHK

SHK's Coverage

13,284 companies (2021) | 613.58 million tons of CO₂

The contents of SHK

Mandatory

- Basic emission (scope 1 & 2)
- Adjusted emission



Voluntary supplements

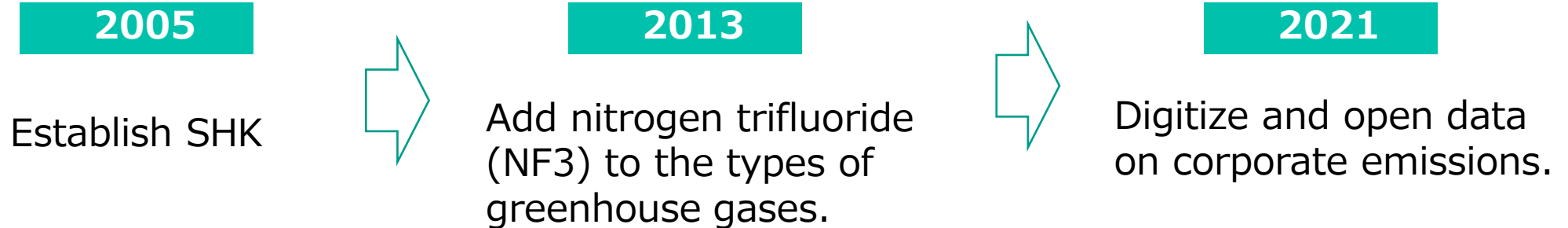
- Info for change in (1) emissions (2) emission intensity
- Mitigation measures
- Emissions beyond Scope 2
- Info to enhance credibility of reported emissions
- Corporate target, plan, TCFD

Recent main challenges of SHK

- The electronic reporting rate is about 90%, but further efforts are needed to increase the rate.
- Emission data can be accessed by everyone. However, the number of views is low and data utilization is not progressing.
- Voluntary reporting rate remains around 1%.

Initiatives to Improve SHK

Overview of Key Improvements



Recent Actions

- Emissions reported by companies is disclosed without requiring additional procedures.
- Study Group on reporting and disclosure methods was established in September 2021 to consider digitalization measures.
- Study Group on measuring methods was established to review applicable targets and methodologies.

Benefit of GHG Measurement and Reporting System

【Benefits for private sector】

- Raise awareness of the importance of GHG measurement and reporting
- Find opportunity to reduce GHG emissions (reduction potentials)
→Cost reduction by making rational use of resources
- Increase corporate profile →Increasing corporate values and competitiveness by disclosure
→Access to ESG investment

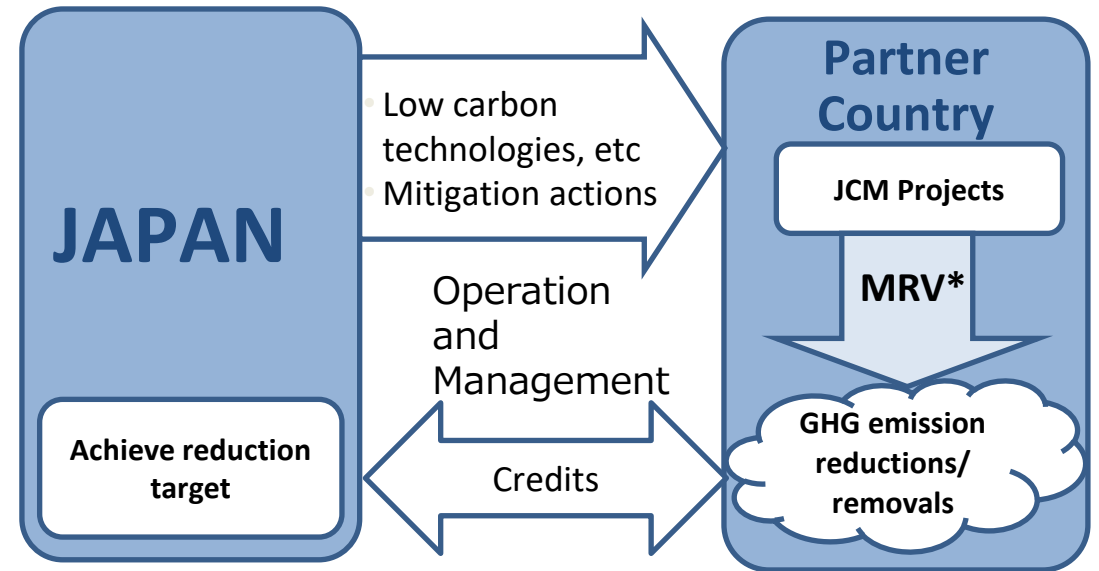
【Benefits for government】

- Promote awareness of GHG emissions and reduction
- Access to bottom-up data →Breakdown of GHG emissions by group/sectors
→Trace GHG emission trend by group/sector by year
- Enabling further policy actions

Joint Crediting Mechanism (JCM)

Progress:

- 29 partner countries with over 250 projects
- 20 projects in the Philippines such as Solar power, Geothermal power generation



(Example of projects)

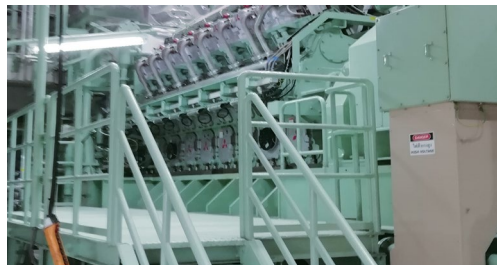
Renewable Energy



Binary Geothermal Power Generation

The Philippines / Mitsubishi Heavy Industry

Efficient Use of Energy



Gas Cogeneration and Refrigeration System

Thailand / Kansai Electric Power Company

Waste



Waste-to-Energy

Vietnam / JFE Engineering

Transportation



Public Bus CNG Co-firing System

Indonesia / Hokusan



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