

Green Week and Beyond

JICPA's "Green Week," a one-week event consisting of discussions focusing on environmental and corporate social responsibility (CSR) issues in accounting, began on October 1. The JICPA introduced its past initiatives to address global environmental problems and CSR both domestically and internationally at three forums described below, and also provided participants with the opportunity to exchange opinions.

The first symposium, held in Tokyo on October 1 and titled "Climate-Change Risk and Investor-Oriented Disclosure," reflected the increased interest over the past year in the issue of risk related to climate change. This is partly due to such events as the publication of the Fourth Assessment Report (AR4) by the Intergovernmental Panel on Climate Change (IPCC), which acknowledged the impact human activity has had on global warming, and the agreement reached at the G8 Summit Meeting in Heiligendamm to cut global emissions of greenhouse gases in half by 2050. Participants at the symposium discussed both the recent focus of global institutional investors on climate-change risk and the accompanying need for increased information disclosure. The chairman and president of JICPA, Mr. Masuda, and the deputy president, Mr. Sawada also expressed the JICPA's continued commitment to environmental protection and CSR in their addresses.

Next was the "Environmental Management Accounting" symposium, organized by the Kinki Chapter and held in Osaka on October 3. Environmental Management Accounting (EMA) is a type of accounting designed to support internal control and decision-making within corporations in connection with environmental protection. While there are currently many EMA methods in use, Material Flow Cost Accounting, which focuses on the flow of internal resources and materials to identify the real costs of waste—many of which have traditionally been overlooked—is one of the most effective methods for reducing environmental impact and simultaneously decreasing costs through improved resource productivity. Much of the discussion focused on this issue in light of the proposal planned by the Ministry of Economy, Trade and Industry and others to be made to the International Standardization Organization for the international standardization of Material Flow Cost Accounting.

Another Green Week event was the session on "Environmental Accounting, CSR Disclosure and Assurance" held as one of official sessions at the "Conference of the Confederation of

Asian and Pacific Accountants (CAPA)” in Osaka on October 4. It served as international forum, with discussions about environmental issues and CSR. This session in particular was positioned as JICPA’s third main event for Green Week and featured British, Australian, Philippine and Japanese panelists. The speakers presented their research from various perspectives, with particular focus on current issues surrounding the voluntary preparation and disclosure by companies of sustainability reports as well as assurance practices, making it an extremely informative session. The session Chairman’s proposal for the Osaka Declaration, which calls for a platform for professional and academic accountants in the Asia-Pacific region to exchange information and collaborate, was met with resounding applause.

The adoption of the Osaka Declaration thus ended Green Week on a high note. However, this is not the end, but rather a starting point for us to make further commitments to address issues relating to the environment and CSR. Problems concerning the global environment and other issues are becoming increasingly complex and expectations are mounting for accounting experts to play a greater role in alleviating them.