

Promotion of 「Avoided Emissions」

August 25, 2023

Panasonic Holdings Corporation

Toward decarbonization of society

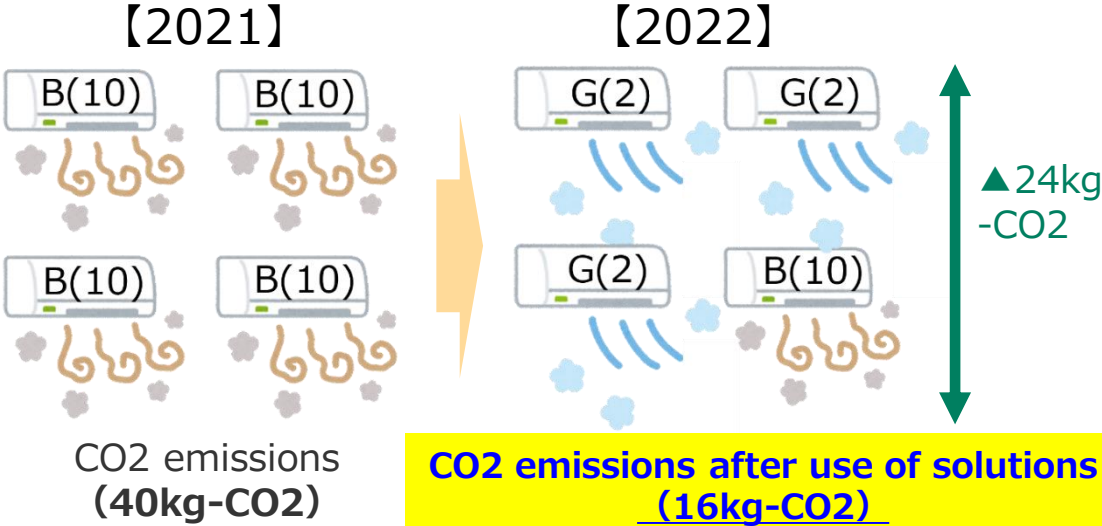
Risks

Reduce emissions in our own value chain through a variety of initiatives

Opportunities

Decarbonization of society through offering products and services

CO2 emissions throughout the company's value chain



	2021 → 2022	Avoided emissions
Brown company	40 → 10	-
Green company	0 → 6	24

Achieve decarbonization of society

Why is “Avoided emissions” not recognized by society?

< Exchange of views with various sectors >

- ① **Offset** between **“Own value chain”** and **“Avoided emissions”**
→ **Green Wash**
- ② Appeal to **each company** about **their “Avoided emissions”**
→ **No Global Standards, No Industry Standards**
- ③ Therefore, it **could not be used as an evaluation index for financial institutions**, and it did **not become popular and establish**

Encourage the creation of "opportunities", Raising Awareness of "Avoided emissions"

- ① **Offset** between "Own value chain" and "Avoided emissions"
 → **WBCSD and METI GX League** had published "Guidance (No offset)"
- ② Appeal to **each company** about **their "Avoided emissions"** (No Global Standard)
 → **IEC63372, Guidance of WBCSD** and **METI GX League**
- ③ it **could not be used as an evaluation index for financial institutions**
 → **Continued dissemination at international events including ICMA**



WBCSD : World Business Council for Sustainable Development
 METI : Ministry of Economy, Trade and Industry
 IEC : International Electrotechnical Commission
 ICMA : International Capital Market Association

G7 communiqué specify effectiveness of "Avoided emissions"

General Assembly	Tokyo GX week	WBCSD	COP27	ICMA	G7
Informal round table	1 st Global Green GX	Council Meeting	Japan Pavilion	Sustainable Bond Conference	G7 Climate, Energy and Environment Ministers' Conference
UNDP	METI	WBCSD	MOE, METI	ICMA	G7 (Chair : Japan)
2022, 19 Sep. @US	7 Oct. @Tokyo	25-28 Oct. @Tokyo	14 Nov. @Egypt	18 Nov. @Tokyo	2023, 15~16 Apr. @Sapporo

Joined: Oct. 7
 wbcscd Agree with significance of spreading Avoided Emissions **Mar.22** **Guidance Publication**

Joined: jun. 10
 METI GX Business WG leads rule-making for new market creation **Mar.31** **Guidance Publication**

Joined: 2021
 IEC We (JPN and DEU) join in draft International Standard on Avoided Emissions(IEC63372) **Aim to standardize in 2024**

1st Global Green GX (7 Oct. 2022)

GGX



The University of Tokyo
Project Professor
Jun Arima



Our CTO
Tatsuo Ogawa



WBCSD CEO
Peter Bakker



Schneider Electric
Senior Vice President
Xavier Denoly



BofA Securities Japan
Deputy President
Reiko Hayashi



METI
Deputy Director-General
Shinichi Kihara

we raised “opportunity” was concluded that **standardization activities** are **important in gaining the trust of the financial institutions.**

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Launch activities to achieve aim (14 Nov. 2022)



COP27 Japan Pavilion Seminar held on Nov. 14: “Achieving Global GX”

(Towards a net-zero society through appropriate evaluation of “Avoided Emissions”)

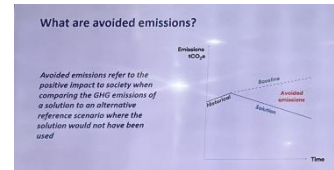


- WBCSD disclosed latest information on its initiatives for “Avoided Emissions”
- Cross-sector discussions held on “Avoided Emissions”

WBCSD (business community)
Hitachi / Panasonic (corporations)
GFNAZ / BofA (financial institutions)
University of Tokyo (academic institution)
METI (government)



Mr. Dominic Wanghray
Senior Advisor, WBCSD



Consensus built on importance of achieving decarbonization along with economic development by implementing concept of “Avoided Emissions”

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ICMA & JSDA Annual Sustainable Bond Conference (18 Nov. 2022)

ICMA : International Capital Market Association, JSDA : the Japan Securities Dealers Association



financing a decarbonized and fair society through Sustainable Bonds

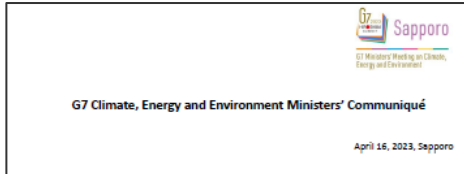
Towards carbon neutrality with the support of climate transition finance



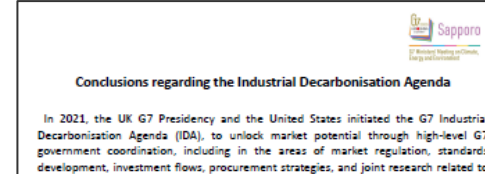
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“Avoided Emissions” is specified in G7 Ministers’ Communiqué

G7 Climate, Energy and Environment Ministers’ Communiqué



Conclusions regarding the Industrial Decarbonization Agenda



- **Avoided emissions should not lead to discouraging companies to accelerate reducing their own SCOPE1-3 emissions**
- **Promoting investment from financial sectors by evaluating and unlocking the value from companies/solutions with high contribution to global emission reductions.**
- **Financial sectors can make use of this information to assess the company’s climate-related opportunities and to formulate financial instruments for promoting investment.**

commitment to the Paris Agreement, keeping a limit of 1.5 °C global temperature rise within reach through scaled up action in this critical decade, and to the full, swift and effective implementation of the historic Kunming-Montreal Global Biodiversity Framework (GBF) adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) with its mission to halt and reverse biodiversity loss by 2030, and welcome the landmark international legally binding instrument on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ). Recognizing the current global energy crisis and economic disruptions, we reaffirm our commitment to accelerating the clean energy transition to net-zero greenhouse gas (GHG) emissions by 2050 at the latest and recognize the importance of

G7 communiqué specify effectiveness of “Avoided emissions”

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Size of contribution for society in reducing emissions

FY2031 Create an impact that reduces emissions by **93 Mt**

Electrification

Expand use of non-fossil fuels & green vehicles

FY21	FY25
9.7M	25.1M

FY31 **70M** (tons)



Automotive batteries/chargers for green vehicles

Hot water heat pump system

Electrification of construction equipment, bicycles, etc.

Energy efficiency

Promote/optimize efficient use of energy

FY21	FY25
2.4M	6.3M

FY31 **17M** (tons)



Integrated control of IAQ & A/C

LED lighting optimizing energy efficiency for individual spaces

Distributed power sources:
Energy creation-storage coordination & DERMS*

Hydrogen

Expand use of zero-carbon energies

FY21	FY25
0.2M	0.6M

FY31 **6M** (tons)



Pure hydrogen fuel cell

Hydrogen "RE100" solutions

"ENE FARM"

Toward a carbon-neutral society, contribute to reducing CO₂ emissions globally in a variety of business areas

*DERMS: Distributed Energy Resource Management Systems

Panasonic Group