



## Statement on Environmental Issues

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We, the PBEC member companies, gathering at the start of the 21<sup>st</sup> century at the Tokyo International General Meeting and building on PBEC's environmental charter of 1995, hereby reaffirm the importance of environmental protection and improvement as a means towards sustainable development, and declare our resolution further to take voluntary actions in accordance with the following key concepts and action plan:

### Key Concepts

1. **Leading Role:** The current and future state of the environment is a critical issue confronting human society, and simultaneously presents opportunities and risks to businesses. We acknowledge that the activities of the private sector, based on market mechanisms, are the driving force behind the resolution of environmental issues. Companies should play a leading role in minimizing environmental problems, in accordance with our capacities and needs of the local, regional and global communities to which we belong.
2. **3Es+2Ps:** To the traditional three Es (Economy, Environment, and Energy) we add two Ps (Population and Poverty) that require concentrated effort to deal with the challenges in the 21<sup>st</sup> century. In promoting environmental initiatives, it is essential that the root causes of the problem be addressed as key steps towards protecting natural resources and facilitating waste management.
3. **Balance:** Focusing on the optimum combination of market forces and governmental policies in light of each economy's particular circumstances and level of economic development, we will strive to further harmonize the economic and societal value of the natural environment in order to enhance the welfare of both current and future generations, while at the same time promoting the accountability and transparency of procedures and policy-making.
4. **Sustainable Development with increased eco-efficiency:** To date, economies generally have evolved around mass production, consumption and disposal. In the 21<sup>st</sup> century, however, we will pursue increased eco-efficiency which will reduce the use of energy and resources for sustainable economic growth through more efficient production processes, preventive strategies, cleaner production technologies and procedures throughout the product life cycle.



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5. **International Co-operation and Harmonization:** We will promote trade, cross-border capital investment, technology transfers, and harmonized legal standards and regulations that contribute to the well being of the Pacific Basin, and work with APEC and other organizations to help confront the world's environmental problems.

### Ten-Point Action Plan for PBEC Member Companies & Economies

#### The roles of companies:

1. **Corporate Activities:** Understanding that environmental management is an issue that requires top priority corporate attention, we will support the establishment of resource and waste management systems to reduce, reuse and recycle energy and resources, and support green community practices (e.g. afforestation and reforestation), where such efforts are energy efficient and environmentally sound, and support national laws regarding the rights of indigenous peoples.
2. **Internal Systems:** We will establish and/or upgrade internal environmental management systems (target-setting, operation of corporate organization, self-administered standards, environmental reporting, assessment, staff training, consumer services, coordination with suppliers, etc.)
3. **Technological Developments:** We will encourage the development of new technologies and products (inclusive of nano-level technology) that contribute to reducing strain on the environment by promoting increased energy and materials efficiency and reducing process generated emissions of harmful substances, and reducing the use of natural resources.
4. **Technology Transfer:** Companies in advanced economies will work to enable the commercially based transfer of environmentally sound technologies to the economies that need them.
5. **Dialogue:** We will work to strengthen dialogue between private companies and other parties such as international organizations, governments, local authorities, NGO's, academic institutions and citizens. In order to facilitate cooperation with our respective governments and with governments in the region to reduce environmental degradation and help create sustainable development, we request that governments take the following five points into account in their policy deliberations.



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### The roles of governments:

6. **Market Mechanisms:** Governments should encourage the use of a market-based approach to address the issues of climate change in accordance with national laws and international agreements.
7. **Private Sector Support:** Governments should be encouraged to support and facilitate the private sector's environmental initiatives by setting clear and equitable national and international rules, putting in place social systems and providing funds. Governments should encourage and enable the development of eco-efficient technologies for implementation in their economies.
8. **Investment and Trade Facilitation:** Governments of developing economies should seek to establish a positive climate for investment, trade and technology transfer (i.e. removal of barriers to entry and remittance of return, protection of patents and licenses, provision for fiscal incentives, etc.) in order to mitigate environmental degradation. We call upon the governments of PBEC member economies to promote regional stability both internally and externally in order to encourage investment and facilitate free trade. Such investment and trade will enable the private sector to fully implement eco-efficient practices and environmental management systems.
9. **Social Infrastructure:** Governments should establish sustainable cities in the face of explosive population growth. We will support work to develop social infrastructure by utilizing, for example, a Private Finance Initiative. In non-urban areas, we will try to encourage sustainable agriculture, forestry, and fishing industries, and reforestation for demographic stability and preservation of nature. We will also encourage the building of responsible infrastructure in underdeveloped regions in order to promote investment and thus reduce rural poverty and stabilize urban migration.
10. **Best Mix of Energies:** Governments should pursue, in accordance with each economy's circumstances, technological development that recognizes economic realities, and comprises the best mix of energies to minimize pollution, while satisfying areas such as security and energy cost.

Endorsed by the PBEC Steering Committee 04/08/2001  
Adopted by the PBEC Board of Directors 04/08/2001  
34th International General Meeting, Tokyo, Japan