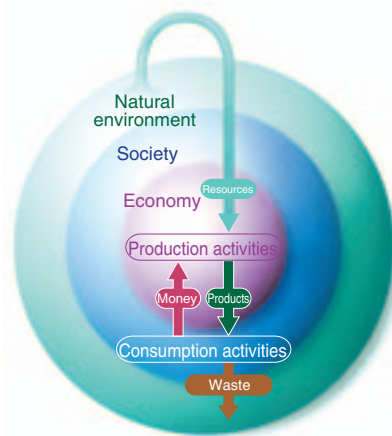


The Global Environment and Society (Three P's Balance™)

We need to reduce the environmental impact of society to a level that the Earth's self-recovery capability can deal with.

Three P's Balance™: Representing the Relationship between the Global Environment and Society

1

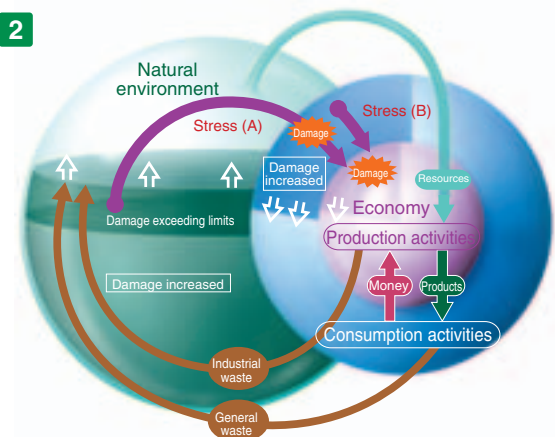


The environmental impact of economic activities in the past was small enough for the natural environment to recover unaided. However, environmental impact has grown rapidly and steadily since the Industrial Revolution to the point where an area equivalent to three earths will be needed by 2050. Companies hold the key to restoring the environment. The reason companies should be more serious in assuming the leadership in environmental conservation becomes clear if we consider how the three P's (planet, people, and profit) in environmental, social, and economic activities have changed over time. Analyzing the relationship between the economy, society, and the Earth after the Industrial Revolution makes it easier to understand why companies need to be more serious in their commitment to environmental conservation. Such analysis also shows us the kind of world we should pursue.

1 Environmental impact was smaller before the Industrial Revolution.

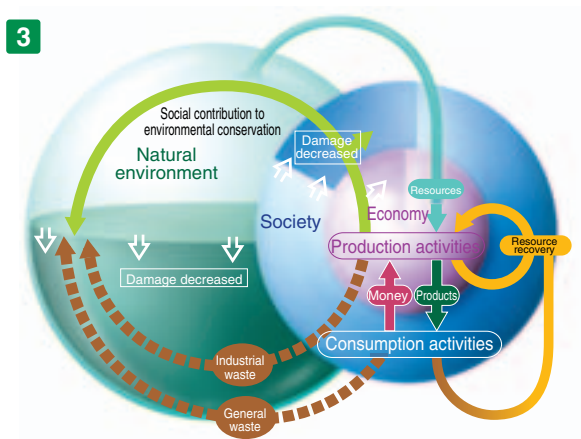
The environmental impact of economic activities was smaller before the Industrial Revolution and small enough for the natural environment to recover from unaided.

2



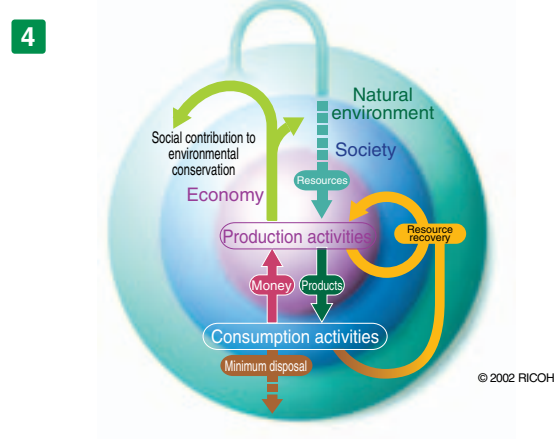
2 After the Industrial Revolution, damage to the natural environment continued to increase until recently.

The Industrial Revolution, which began in the United Kingdom, quickly spread throughout the rest of the world and opened an era of mass production, mass consumption, and mass disposal. As shown in Figure 2, people began acting as if they were not a part of the natural environment, and the damage caused by society to the natural environment drastically increased. In recent years, the environmental impact of human activity has increased beyond the Earth's ability to recover, and that has led to global warming, the depletion of the ozone layer, the submersion of land due to the rising sea level, epidemic diseases making their way northward from southern regions, and an increase in the number of people suffering skin cancer caused by strong ultraviolet light. These problems placed stress (A) on society and the economy, and society at a standstill, in turn, placed stress (B) on the economy. Currently, environmental conservation is a global issue, and companies, which are major economic players in society, are required to be serious in their commitment to environmental conservation. Without showing commitment to environmental conservation, companies will not be able to gain support from society at large.



3 At present, the establishment of a resource-recirculating society is underway and being carried out in phases.

People are paying more attention to activities that reduce the amount of damage being done to the natural environment, including the sorting of waste, recycling, and energy conservation. Reducing the amount of resources consumed and the amount of waste discharged is possible if we endeavor to recycle resources instead of disposing of them. There is a growing need for manufacturers to promote energy conservation, resource recycling, and smaller products with longer lifecycles to provide the maximum benefit to society and companies with minimum resources. Not only are global companies asked to take into account social responsibilities in the countries and regions where they engage in business activities, but they are also asked to support and promote the awareness of environmental conservation activities of companies and regions that are expected to make significant economic progress in the future and to achieve their goals with minimum environmental impact. In addition, it is important to improve the self-recovery capability of the natural environment with such efforts as improving forest ecosystem conservation.



4 We are aiming to create a society whose environmental impact is below the level that the self-recovery capability of the natural environment can deal with.

To pass on the valuable global environment to future generations, people need to recognize that they are a part of nature and should strictly limit their environmental impact to a level that the self-recovery capability of the natural environment can deal with. It is therefore important to set clearer goals to prevent global warming and pollution and to save energy. For example, the reduction target of CO₂ emissions is generally based on the 1990 emission level, but in the future we need to limit emissions based on the estimated emission level that the self-recovery capability of the Earth could deal with. To help the natural environment recover, we need to establish more definite industrial and corporate goals. In order to overcome the most serious threat to our own existence, we need to face these challenges, being totally aware of environmental conservation and innovative in our efforts to achieve our goals.