

KIKO NETWORK

ANNUAL REPORT 2023



気候ネットワーク

Greeting

Stand Against Greenwashing

Japan continues to turn its back on the world's exit from fossil fuels

In 2023, the Earth's average temperature exceeded 1.5 °C (Copernicus Climate Change Service). According to Seita Emori, this was the result of a combination of many factors, including natural factors. However, this is not unique to the natural world, and within a few years, 2023 will likely be identified as a major turning point for climate change. UN Secretary-General Guterres's statement in July that we are living in an "era of global boiling" was truly insightful.



Many serious climate disasters occurred throughout the world in 2023. With time running out, the international community agreed at COP 28 in Dubai to accelerate the transition away from fossil fuels, and committing to goals of doubling energy efficiency and tripling renewable energy by 2030. Recently, the world was shaken by the news of a major flood in Dubai. This is truly a manifestation of the climate crisis.

Unfortunately, Japan has turned its back on these global initiatives. Notably, Japan has been reluctant to phase-out coal-fired power generation, stating that even in 2050, renewable energy will only make up 50-60% of Japan's energy mix and that thermal power is indispensable for a stable supply of electricity. Japan is increasingly determined to make economically irrational support measures the top priority of its energy policy.

GX encourages the continuation of coal-fired power

2023 saw a lot of publicity, especially on TV, in newspapers, and on the Internet, about how "zero-emission thermal power" will solve the CO₂ problem. This was followed by the Basic Policy for the Realization of GX, the GX Promotion Act backed by financial support through government bonds, and the GX Decarbonization Power Supply Act, which made clear that new nuclear power plants, including small reactors, would be built, as if we had gone back to the 20th century. We have not stood idly by; we have been holding webinars, issuing press releases, and advocating and digging deep into the issues. It's complicated and confusing, but we hope that more and more people will realize that it's not right.

Unfortunately, the 2024 regular session of the Diet passed laws to provide support for the price differential between high-cost hydrogen and ammonia, as well as to support CCS projects that are neither feasible nor economical. It can truly be said that the government is at the forefront of greenwashing.

New challenges in eliminating greenwashing

In order to change these long-standing climate policies of the Japanese government and electric power and materials industries, Kiko Network has taken on two new challenges. The first is to continue to raise criticism and clarify that the "CO₂-free fire" advertisements of JERA and others are greenwashing in order to deceive consumers and citizens. The other is an effort to stop the major electric power companies from extending the life of coal-fired power plants through ammonia co-firing and CCS, because the 1.5 °C target requires actual reductions as quickly as possible, not just pretending to reduce emissions. We are preparing and learning from the world's climate lawsuits.

President, Kiko Network 浅岡美恵

Kiko Network Annual Report 2023: Contents

Greeting: Stand against greenwashing	2
Our Achievement in 2023	3
Our Activities in 2023: Building an International Framework	4
Promoting Climate Actions in Japan	5
Decarbonizing Communities, Building Capacity	6
Financial Report and List of Board Members	7

Cover photo: March 20, Kobe District Court ruled against local residents in a civil lawsuit seeking an injunction against the construction and operation of the Kobe coal-fired thermal power plant (top-left); February 8, action in front of JERA's Taketoyo thermal power plant (top-center); During COP 28, the increased casualties caused by Israel's invasion of Gaza drew attention, and protests against human rights violations were raised at the venue (top-right). Scenes from the November 19 Community and Cooperative Power Producers' Forum (middle-left), actions during COP 28 (bottom-left), and Watashi no Mirai event on September 18 (bottom-right)

Japan is drowning in its own decarbonization strategy

In 2023, the Japanese government has continued to push forward with its own unique decarbonization strategy, starting with a cabinet decision on the "Basic Policy for the Realization of GX" and followed by a series of related bills. Japan's strategy is now being viewed by the world as a "false solution" to climate change.

Japan's policies run counter to global climate change measures: Basic Policy for the Realization of GX

In February, the Japanese government approved the "Basic Policy for the Realization of GX" at a cabinet meeting with the aim of achieving carbon neutrality by 2050. However, the initiatives in this policy include, among others, planning of the next generation innovative reactor development, extension of the operating period of nuclear power plants, utilization of hydrogen and ammonia in thermal power generation, and commercial development of CCS. The utilization of hydrogen and ammonia, in particular, is counter to the climate change measures that the rest of the world is promoting. In addition, in March, the Cabinet approved the GX Decarbonization Power Supply Bill, establishing a legal framework to promote the co-firing of hydrogen and ammonia in coal- and gas-fired power plants.

Doubts about the government's climate change measures - Expansion of climate lawsuits

In March 2023, the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) was released, and in May, at the G7 summit in Hiroshima, G7 countries agreed to phase out fossil fuels in general, including oil and natural gas, not just coal. In August, a court ruled in full favor of the plaintiffs in a climate lawsuit filed by 16 young people in Montana, USA in 2020, making headlines, and Kiko Network held a webinar and disseminated information to introduce the case. Climate lawsuits are being filed as a result of an increasing number of citizens and NGOs feeling alarmed by the government's slow response to climate change, but there are also increasing numbers of lawsuits calling for companies to reduce GHG emissions, uphold and comply with climate change laws and regulations, curb activities that could cause harm, and disclose information. There is a growing view around the world that suffering the effects and damage caused by climate change, or being unable to avoid the predicted negative effects due to insufficient climate change countermeasures (by governments and others), is a violation of human rights. We hope that this trend will have an impact on Japan as well, and we will continue to strengthen our efforts to disseminate information about climate lawsuits around the world.

Greenwashing infests Japan

Climate lawsuits also seek stronger climate change measures, compensation for damages, support for a just transition, and

an end to and correction of greenwashing. In Japan, the lack of restrictions on advertising has led to a flurry of 'green', 'clean' and 'eco' language on TV and the internet. The same applies to electricity, in which consumers (electricity buyers) can be misled by statements claiming that its generation does not emit CO₂. Kiko Network has drawn attention to greenwash advertising by power companies and electricity-related businesses and, together with the Japan Federation of Environmental Lawyers, has petitioned the Japan Advertising Review Organization (JARO) to stop misleading advertising. In response to a sense of crisis over climate change and growing environmental awareness in the international community, an increasing number of companies are paying attention to climate change countermeasures and sustainability. However, there is still a gap in awareness that trying to make their efforts look better than they actually are or trying to create the impression that they are environmentally-conscious constitutes greenwashing. We will continue to urge the power sector and power-related companies, particularly those with significant GHG emissions, to provide science-based information and support statements in their advertising with evidence.

Institutional investors are also changing their behavior

In 2023, Kiko Network submitted shareholder proposals to five companies in two industries - finance and electricity - asking them to strengthen their climate change measures. Although the proposals were not approved at the annual shareholder meetings, an increasing number of institutional investors and asset management companies decided that climate change-related disclosures were necessary, indicating a deepening engagement with companies regarding their climate risks. Additionally, institutional investors are increasingly becoming interested in companies' aforementioned greenwashing, concerned that corporate sustainability-related reports contain 'unsubstantiated claims'. This is another reason why we must continue our dialogue with companies.

Towards the revision of the 2024 Strategic Energy Plan

The 2024 Strategic Energy Plan is scheduled to be revised in 2024, and discussions based on GX-related legislation are expected to take place in the Strategic Policy Committee of Advisory Committee for Natural Resources and Energy. If energy policies that maintain a high proportion of thermal power with a large environmental impact continue, the gap with the rest of the world, which is rapidly decarbonizing, will become even larger.

In FY 2024, we will use the opportunity of this revision to focus on expanding renewable energy and reducing the share of thermal power in line with Japan's international commitments.

Building an International Framework



Beginning of the end of the fossil fuel era

2023 was the hottest year in recorded history, with the World Meteorological Organization (WMO) announcing that the global average temperature for the year was 1.45 ± 0.12 °C above pre-industrial levels. UN Secretary-General Guterres expressed a sense of crisis, stating that we are in an 'era of global boiling', and loss and damage due to climate disasters around the world has also become more severe. At COP 28, taking place in these critical times, energy was the focus of attention. Civil society campaigned for a 'fast, fair, and fully funded fossil fuel phase-out'. Steps were taken at COP 28 to move away from fossil fuels, along with an agreement to expand renewable energy and energy efficiency.

Meanwhile, Japan, as the chair of the G7 Summit in 2023, has been unable to be a global leader in a fossil fuel-free world, and COP 28 once again highlighted Japan's inability to break away from its dependence on coal-fired power generation both inside and outside the negotiations. Japan received multiple "Fossil of the Day" awards, showing Japan's widening gap with the internationally-agreed 1.5 °C goal of the Paris Agreement. In FY 2023, in collaboration with domestic and international NGO networks, etc., we engaged in the following activities.

Participating in international climate change negotiation meetings

Two members from Kiko Network followed the G7 Hiroshima Summit held in Hiroshima in May 2023 on-site. They also participated in joint press conferences and actions with environmental NGOs, and disseminated information on what was happening on the ground via SNS and other channels.

Three members from Kiko Network participated in COP 28 held in Dubai, UAE, from November to December 2023 to monitor the progress of the conference. Kiko Network also published the newsletter KIKO four times to provide updates on the conference and key negotiating points, and conducted activities in collaboration with CAN-Japan and CAN International, as well as held dialogues with government delegations.

Collaborating on international reports to communicate the current situation

- Residents of Kobe City, Japan, are fighting a coal power plant financed by Japanese megabanks (Banktrack)
- Boom and Bust Coal 2024 (Global Energy Monitor), etc.

Communicating Japan's issues to the world

We also focused on communicating to the world the issues facing Japan's climate change policy (domestic and international) and trends within Japan. In preparation for COP 28, we summarized the domestic and overseas issues concerning ammonia/hydrogen co-firing in thermal power generation and introduced them to policymakers and overseas NGO officials participating in the conference to raise awareness of the issues. We also participated in discussions in international NGO network in which Kiko Network is a member, conducted interviews with foreign media, and participated in dialogues with embassies and foreign government officials.

Collaborating with research institutions and domestic and international NGOs

Collaboration with domestic and international NGO networks, research institutions, etc. is essential for communicating the global situation in climate change action to Japan, and the situation in Japan to the rest of the world. As a member organization and Secretariat of CAN-Japan, we participated in organizing webinars, disseminated statements, and held dialogues with policymakers. In addition, we shared information and participated in campaigns with overseas organizations and research institutions, engaged in collaborative activities with Fossil Free Japan and the Beyond Coal campaigns in other countries, worked with CAN-International, and contributed to the preparation of various studies and reports. However, while international coalitions have already broadened their vision and campaigns from coal to all fossil fuels, Japan has yet to make progress in its efforts to phase out coal, and it is undeniable that the gap is widening here as well.

Towards 2024

The COP 28 decision calls for more ambitious 2035 emission reduction targets to be set and submitted by the end of 2024 or beginning of 2025. 2024 will also be an important year for Japan, with the revision of the Strategic Energy Plan and the formulation of the next NDC based on it, but the country is still far from phasing out coal-fired power generation, which would contribute significantly to reducing emissions. In FY 2024, we will continue to work with domestic and international networks to inform Japan of international developments and communicate the situation in Japan to the rest of the world, in order to encourage a policy shift away from coal and towards renewable energy and greater energy efficiency.

Promoting Climate Actions in Japan

The Kishida Administration set out its 'Green Transformation' (GX) strategy aiming for carbon neutrality in 2050 and, after a Cabinet decision on the Basic Policy for the Realization of GX in February 2023, passed the GX Promotion Act in the ordinary Diet session to issue GX Economic Transition Bonds and introduce carbon pricing in the future. Subsequently, the administration decided on a strategy to promote GX and, in effect, clearly defined its policy to continue to maintain its thermal power plants by, for example, co-firing hydrogen and ammonia with fossil fuels.

Kiko Network has pointed out that the GX initiative pursued in this way by the Kishida Administration does not reduce CO₂ emissions and is ineffective in achieving the substantial reductions by 2030 required for the 1.5° C goal, and has also highlighted the problem of large sums of money flowing into something that has no meaningful reduction effect.

Our main activities in FY 2023 were as follows.

Pointing out the problems with the Hydrogen Society Promotion Act and the CCS Project Act

The government has been promoting the co-firing of coal-fired power plants with ammonia, but a council set up by the Ministry of Economy, Trade and Industry (METI) has put together a proposal for government support for the price differential of these fuels, based on the assumption that hydrogen and ammonia will be more expensive than fossil fuels. Kiko Network was quick to point out the problems with this strategy. We also encouraged other NGOs to share their views on the issue through public comments and other means, and we also pointed out these problems at the Committee on Economy, Trade and Industry, House of Representatives. At the same time, a report was compiled to promote CCS projects, and so Kiko Network also pointed out issues regarding environmental impacts, business feasibility, and economic viability.



In February 2024, the Cabinet approved both the Hydrogen Society Promotion Act and the CCS Project Act, which were immediately submitted to the Diet. Kiko Network then made press briefings and webinars to spread awareness of the issues. In the parliamentary debate, Kiko Network President Mie Asaoka attended the Committee on Economy, Trade and Industry, House of Representatives as a witness, where she highlighted the issues concerning the differential price support for hydrogen/ammonia in the Hydrogen Society Promotion Act, causing a stir in the parliamentary debate.

Towards Coal Free 2030 - Japan Beyond Coal and campaigning against new coal plants -

On June 30, 2023, JERA's Yokosuka Thermal Power Station Unit 1 (Kanagawa, 650 MW) and Shikoku Electric Power's Saijo Thermal Power Station (Ehime, 500 MW) began commercial operation, followed by Yokosuka Thermal Power Station Unit 2 (Kanagawa, 650 MW) on December 22, bringing the total installed capacity of coal-fired power plants in Japan to its highest ever. Japan is the only developed country where coal-fired power generation is still increasing, highlighting just how much Japan is going against the rest of the world's progress on climate change, even though it claims to be aiming for carbon neutrality.

We also renewed the Japan Beyond Coal website, a platform aiming for zero coal-fired power by 2030, and raised a range of issues surrounding coal on the new site.

Greenwash criticism and claims to JARO

In response to advertisements by JERA, Japan's largest coal-fired power plant operator, which makes claims such as 'zero CO₂ by 2050', 'CO₂-free fire,' and 'zero-emission thermal power', Kiko Network, together with the Japan Federation of Environmental Lawyers, filed a petition with the Japan Advertising Review Organization (JARO), a public interest incorporated association, requesting a recommendation for the advertisements to be discontinued. JERA's advertisements do not (1) inform the public that ammonia is mixed with coal in a coal-fired power plant, and that a large amount of CO₂ is emitted during the ammonia production process, and (2) fail to indicate that even if 20% is mixed in 2030, the remaining 80% will still be coal, which is inconsistent with the emission reductions required in 2030 to achieve the 1.5° C target.

Subsequently, we also filed a complaint with JARO against the advertisements of Kansai Electric Power Company and J-Power, claiming that they were similarly misleading consumers. Throughout the world, agencies like JARO that regulate advertising and labeling are increasing their monitoring, and it is expected that JARO should also recommend the cessation of such advertisements.

For this, Kiko Network was awarded the 9th Sustainable Finance Award hosted by Research Institute for Environmental Finance (RIEF).

<https://rief-jp.org/ct4/143095>



Decarbonizing Communities, Building Capacity



Community and Cooperative Power Producers' Forum excursion on November 18th

The Japanese national government has made a carbon-neutral declaration, and the number of 'zero-carbon cities' - municipalities that have declared their commitment to achieving virtually zero CO₂ emissions by 2050 - has exceeded 1,000. 74 proposals from 95 municipalities in 36 prefectures across Japan have been selected as leading decarbonization regions, which aim to decarbonize the private sector by 2030.

In these regions, municipalities themselves are expected to take the lead in implementing measures and work with citizens and businesses to achieve decarbonization across the region. In order to ensure that measures are not delayed due to issues such as human resources, expertise and financial resources, (especially in smaller municipalities) and that measures can progress step-by-step, Kiko Network provides support for decarbonization initiatives by various local actors, including municipalities.

Holding Community and Cooperative Power Producers' Forum

On November 19th, 2023, the Community and Cooperative Power Producers' Forum was held at Ryukoku University (Fushimi-ku, Kyoto). This was the 12th time in total, and the first time in four years, that the Community and Cooperative Power Producers' Forum was held, with approximately 300 participants, both on-site and online, sharing and discussing the ways in which the community and cooperative power producers can be promoted their roles and their future prospects. At the end of the forum, a call for action to help Japan become a 100% renewable energy society by 2045 was adopted.

On November 18th, the day before the forum, participants also visited the Ohisama Power Plant installed at the Utoro Peace Memorial Hall (Fushimi-ku, Kyoto), which was the first project undertaken as part of the Citizens Co-owned Renewables Project.

Human resource development and network development for decarbonization

While decarbonization initiatives by municipalities and businesses are progressing, there is a shortage of human resources to support them, and so the development of such leaders is an urgent issue. To address this, Kiko Network

organized and supported a series of lectures and webinars aimed at developing human resources, sharing know-how, and building networks.

In November, Kiko Network hosted the 'Intermediary Support Exchange Forum for Promoting Decarbonized Region Development', the first face-to-face event organized by Kiko Network in many years, to exchange views with stakeholders from across the country on the approaches of intermediary support, mainly for local authorities.

- Intermediary Support Exchange Forum (27 November)
- The 'Renewable Energy School Kyoto 2023' series of four lectures (hybrid meeting).
- The seminar series 'Zero carbon action plans even for small and medium-sized municipalities' (21 July, 31 July and 3 August).
- The seminar series 'Intermediary support mechanisms and systems for promoting the development of decarbonized regions' (25 September, 24 October and 7 November).
- Student Climate Conference, Ryukoku University (2 and 16 December).
- Webinar for local authorities in Nara (16 February).

Supporting regional and municipal decarbonization

Kiko Network provided advice on municipal climate change policies and measures and staff training, as well as organized workshops for citizens in cooperation with regional organizations. In FY 2023, we were involved in the development of the 'Omi Hachiman City Decarbonization Vision 2050' as a member of the Omi Hachiman City Decarbonization Promotion Council.

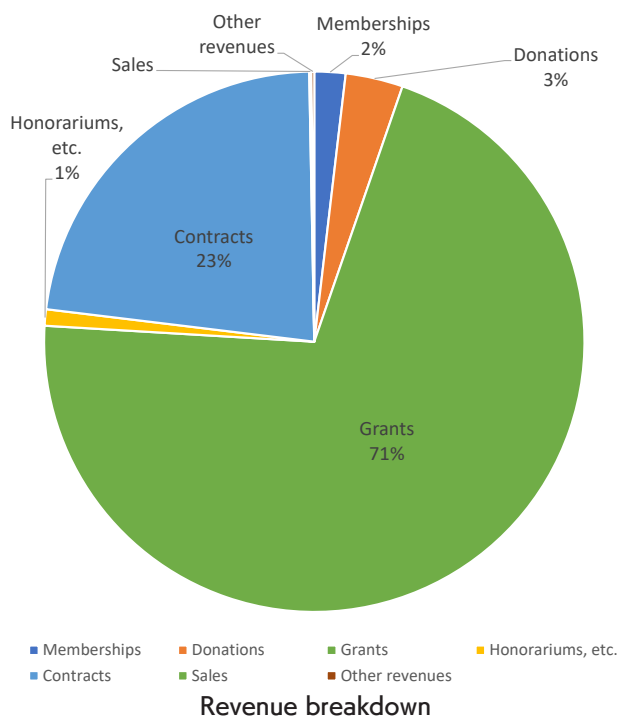
- Omi Hachiman City (Shiga Prefecture) staff training
- Participation in and advice to Takashima City (Shiga Prefecture) Collaborative Proposal Project Study Group.
- Cooperation in planning and operation as a member of the executive committee of the project commissioned by Okayama City (Okayama Prefecture) 'Okayama Juku for Climate Change Measures'.

Financial Report & List of Board Members

Kiko Network Financial Report 2023

In FY 2023, overall revenue increased due to an increase in grants as a result of the expansion of activities. Trust money decreased slightly, membership fees remained almost the same and donations decreased from the previous year but exceeded the amount of donations envisaged in the original budget. On the expenditure side, program expenditures increased in line with the expansion of activities, including commissioned projects. Expenditures for strengthening information dissemination increased, including a major revision of the website and the implementation of webinars. Expenditures for transport and venue costs due to the organization of conferences and seminars also increased.

In order to be able to fulfil our increasing role in further accelerating the transition to a decarbonized society in the face of the extremely serious climate crisis, we will continue to work on the effective use of our limited financial resources by ensuring stable operations and expanding the number of supporters and interested parties and organizations, as well as by promoting initiatives to secure financial resources.



FY2023 Revenues	
Category	Amount (JPY)
Memberships	2,973,000
Donations	5,479,469
Grants	112,708,234
Honorariums, etc.	1,560,488
Contracts	36,343,930
Sales	207,792
Gain on sale of securities	0
Other revenues	266,549
Total	159,539,462

FY2023 Expenditures	
Category	Amount (JPY)
1. Program expenditures	
Outreach	7,154,544
Research and advocacy	5,146,251
Network building	1,631,738
International negotiations and policy work	2,259,330
Community and NGO support	1,506,220
Grant-funded programs	71,489,656
Expenses related to the sale of securities	0
Contract-funded programs	42,200,048
Program subtotal	131,387,787
2. Administrative expenditures	
Salaries	4,314,959
Retirement benefits	187,600
Travel	595,131
Communications and shipping	77,807
Supplies	4,436
Office rent	174,299
Printing	164,167
Employee benefits	650,086
Tax and public dues	138,751
Other expenditures	76,810
Administrative subtotal	6,384,046
3. Income taxes - current	140,000
Total	137,911,833

Revenues and expenditures	FY2023 results
Opening balance	47,351,658
Total revenues	159,539,462
Total expenditures	137,911,833
Closing balance (March 31, 2024)	68,979,287
Closing balance (restricted portion)	55,816,067
Closing balance (unrestricted portion)	13,163,220

List of Board Members

Mie Asaoka (Lawyer)
 Kuniyasu Inoue
 Takuma Kani
 Hiroshi Kanda
 Ayako Sakurada
 Yoshitsugu Sasaki
 Kenro Taura
 Ken Tsuzuki
 Oomi Nishizono
 Ikumi Hara
 Tsuyoshi Hara

Shunichi Hiraoka
 Kimiko Hirata
 Takako Momoi
 Motohiro Yamazaki
 Naoyuki Yamagishi
 Juta Wada

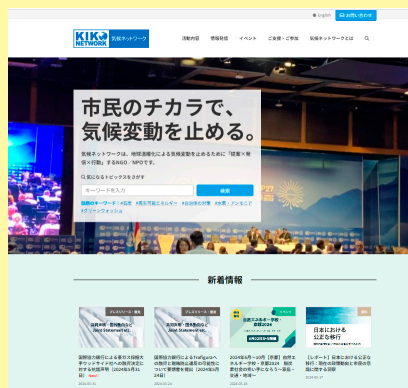
 Auditor, Toshiyuki Ueda
 Auditor, Yoshimichi Sakakibara
 Auditor, Shigenori Fukushima

As of July 2024, In random order

Renewal of the website

The Kiko Network website was extensively renewed in September 2023, with a revised design and page structure.

It has also been improved for viewing on smartphones and tablets so that it can be viewed easily from all devices. A similar renewal was also carried out for the Kiko Network Blog.



Renewed design of the Kiko Network newsletter

The design of the newsletter has been renewed from issue 154, published in January 2024.



Change the rules, not our climate.

The mission of Kiko Network can only be achieved with your support.

There are many ways you can support: by becoming a member, donating, volunteering, assisting with joint research, spreading our campaigns, etc.

We at Kiko Network thank all of our supporters for their past and future contributions to changing the world as we move toward a sustainable global society.

For further information, please contact your nearest Kiko Network office.

Kiko Network Kyoto Office: #305 Takakura Bldg. Takakura-dori, Shijo-agaru, Nakagyo-ku, Kyoto 604-8124, JAPAN

TEL: +81-75-254-1011, FAX: +81-75-254-1012, E-mail: kyoto@kikonet.org

Kiko Network Tokyo Office: Fujimori Bldg. 6B, 2-12-2 Hirakawacho, Chiyoda-ku, Tokyo 102-0093, JAPAN

TEL: +81-3-3263-9210, FAX: +81-3-3263-9463, E-mail: tokyo@kikonet.org

