

2. Discussion

○ Kokubu

Thank you very much.

The presentation by Mr. Kato concludes a series of 6 presentations beginning from Prof. Amano. I believe that the broadest discussion on sustainable management has been conducted.

From now on, we'd like to debate, focusing on specific problems. I hope to discuss the solutions to them as well, but within a limited amount of time, it may be impossible. Sustainable management encompasses really broad concept. In order to achieve sustainable management or sustainable society, although to say is one thing, to practice is another, it is necessary to discuss promoting factors as concretely as possible.

Accordingly, as to sustainable management that we have discussed so far, please point out some of promoting factors or inhibiting factors. I wish Mr. Yamamoto to begin.

2.1. Promoting factors and inhibiting factors of sustainable management

○ Yamamoto

I would like to talk about what companies can implement on their own as promoting factors and government or market can support.

2.1.1. Promoting factors of sustainable management

(1) Corporate efforts: “Executive’s commitment”, “Mechanism for continual efforts” and “In-company consensus”

As stated earlier, I think that what companies can implement on their own is, among others, executive’s commitment to environmental measures. Without executive’s support, all of the employees can hardly work together.

Also, companies must consider and have a mechanism for continuing

voluntary efforts. As I mentioned award system, it is also necessary to stimulate the development of material or technique for reduction in environmental load within the company.

Furthermore, companies must build a consensus that environmental measures improve corporate competitiveness and enables its survival in 21st century, and to foster the consensus is indispensable to promote sustainable management. Companies should have a consensus that even if extra costs occur in the short run, there is no loss in the long run. Moreover, companies should have a sense of crisis — unless profitable mechanisms such as eco-business, recycling, reuse and so on are established, main business may lose competitiveness. For companies, a common understanding that environmental measures have an advantageous influence on their business activities is an important promoting factor.

(2) Supports from the government: “Development of legal system”, “Taxation system” and “Urban regeneration such as eco-town”

In administrative aspect, I am amazed at the development of Japanese legal system for the last few years, with the view towards the formation of recycling-oriented society. Green purchase law, home appliances recycling law, etc. are main promoting factors.

As Mr. Kato pointed out, how to develop taxation system remains to be done.

Currently there are 14 eco-town projects that Ministry of Economy, Trade and Industry takes a leading part. Recently I have studied especially the example of Kitakyushu city, wherein citizens, companies and city government work together to regenerate a city of massive and heavy industrial pollution into an environmental futuristic city with IT-society. I think it's so brilliant. The trinity approach by citizens, companies and government can further promote urban regenerating activities.

(3) Supports from the market: “Eco-fund” and “Environmental rating”

In addition, as Mr. Seo stated earlier, eco-fund or environmental rating is considered as one of the primary promoting factors, wherein the market supports companies that practice environmental measures.

(4) Inhibiting factors: Indefiniteness of injured party and offending party

The flip side of promoting factor as above-mentioned is inhibiting factors. What I feel recently is that we can't run a fine line between injured party and offending party in environmental issues. For example in the case of carbon dioxide, indeed companies are sources of CO₂, but employees working there also generate CO₂ by driving a car, using household electronics and so on. So, many management executives think that there's no point in practicing environmental measures on their own. All of us must act our part as producer, consumer, citizen or government staff. Therefore, we manage to clear up this problem.

○ Kokubu

We heard Mr. Yamamoto's opinion from the viewpoint of companies and government. From the standpoint of companies, what is required are a system in which top management of companies can continually make commitments to environmental issues and a consensus that environmental measures will enhance corporate competitiveness. In other words, environmental measures in general business as well as eco-business are payable.

As for environmental measures by the government, development of legal system, taxation system and eco-town were listed.

According to Mr. Yamamoto, globalization of environmental issues, and indefiniteness of injured party and offending party have an influence upon the awareness toward environment, thereby resulting in inhibiting factors. Then, I would like to ask Mr. Bennett.

2.1.2. Characteristics of Sustainable Management

○ Bennett

Thank you. The fundamental issue must be how can we encourage sustainable management to be seen as an integral aspect of good management generally, rather than being something separate which is simply added onto companies' mainstream activities. As Mr. Yamamoto has emphasized, the

first key factor is to get the support of senior management, which requires that we first identify what is likely to attract and influence those senior managers in the first place to become interested in sustainable management. Is there in fact anything uniquely distinctive about sustainable management, or is it synonymous with good business management practice? Even if there is no fundamental difference in kind, there are at least substantial differences in emphasis with conventional management practice.

Firstly, sustainable management requires that a company be ready to take a long-term perspective, and to have the tools available to support this. Mr. Yamamoto also pointed out that there may often be some short-term benefits which can be achieved relatively easily through, for example, waste minimization and energy efficiency schemes. However once these “low-hanging fruit” have been harvested, only diminishing returns are likely to be available from this source so that further gains will require more work and expertise. In many cases there may be opportunities for further benefits to be realized in the long-term which have implications for long-term sustainability of the company, but which may in the short-term mean increased costs and therefore lower profits.

Secondly, it implies a readiness by a company to look outwards at its business environment and at the sort of factors that are likely to influence its performance in the long-term future, through its relationships with its various stakeholders - customers, investors, suppliers, staff, local communities, and governments - all the parties that, without their goodwill, could potentially cause a problem to that company. This requires some specific competences, and the ability to recognize what is going on outside the company’s own boundaries and to devise ways to deal with this.

Perhaps crucially, it requires a shift in mind-set and attitude generally not only within industry but within society at large. This is recognition that as a global society, we may be reaching maturity in the same sense that an industry sector, once it has become established and then exhausted its potential for growth, will become a mature sector. In a global sense this implies a need to recognize that we can no longer afford to treat the natural environment as if it were an infinite source of resources and recipient for wastes. The period of this type of growth has ended, and we need to find other ways to develop and

continue to evolve.

In any situation there are two requirements before effective action is possible, and both are needed: firstly the motivation, the wish to act, and secondly is the capability, the ability to act. Motivation will be encouraged by pressures on companies from both governments and other stakeholders directly, and secondly from the marketplace. Pressure from investors is likely to be particularly persuasive to companies, and I was very encouraged by Mr. Seo's report on the funds that he is managing and their success in terms not only of their investment performances but also of their attractiveness to investors, as evidenced by the volume of funds that they have attracted. The main responsibility will continue to be government's, to set the context in which businesses can operate, through a number of different policy methods. These will continue to include regulation, but increasingly we need to look also towards government's potential influence on market prices through taxation and other financial instruments. These are a way of sending to industry clear signals that some types of resources are likely to become relatively increasingly expensive in future. Customers can also be a strong pressure to influence companies, provided that they are supported with adequate disclosure of information in order to form judgments. This needs not all be negative pressure on those companies, since it can include encouragement and some positive recognition including through certification programs and awards which recognize the companies and the individuals within them who are helping to make these changes.

Capability comprises both receptiveness and reaction. Receptiveness is the ability both to scan the wider business environment and recognize developments in it and their potential significance, and also to be receptive to internal signals such as opportunities for cost savings which may become apparent through monitoring environmental-related costs and benefits over time.

The "Environmental Financial Statement" which Baxter International produces annually as a subset of their income statement (profit and loss account) provides one method in which environmental costs and benefits can be identified and reported on an ongoing basis, and to communicate through the company that there may exist a significant potential to realize substantial

benefits through positive environment-related and sustainability-related actions.

The ability to react requires that management has the appropriate skills and tools that it can call as needed in order to determine the most appropriate action in a particular situation and to implement this. These may be tools of environmental accounting, of managing people and of appraising managers' performances, and of managing purchasing and supply functions. These tools do not necessarily need to be in use continuously, but the relevant people in the company should be aware of them and able to access them as and when necessary. It also crucially requires that the appropriate information is available and is both relevant and reliable; and that as Mr. Seo pointed out, it is also both comparable in order to be able to benefit from making comparisons and benchmarking against other companies, and complete in that it reflects all the key aspects of performance.

There may be a new role for legislation here, which aims not so much to try to control what companies do, but to ensure that they produce the information that can help to guide future behavior across industry. Awareness of good practice elsewhere through the dissemination of good-practice case studies is another route, and as Dr. Lee was pointing out is happening in Korea there can be a role here for each of industry associations, Chambers of Commerce and academia.

Ultimately, what this all implies is a recognition that if the environment and the condition of our society matter, then it will be those companies that can best recognize and manage this who will be most likely also to be successful in conventional business terms in the future, which requires the relevant competences. As Mr. Kato said, 10 years ago if you were transferred to the Environment Division of your company, this was the company's polite way of telling you that your career was over! However, if the ability to deal with changes in the outside world and environment and society do matter to companies, one would expect to see the opposite becoming the case; but this also demands the ability to be able to explain this case and to persuade others in the company of it. This comes back to the need for more integration and to be able to express social and environmental management in mainstream business terms, in particular in financial terms of what it means to the

company's overall value.

This needs to be part of everyone's job, so it is important that environmental and social management is not isolated in an organizational ghetto which is separate from the company's main business of producing products and selling them to customers to make a profit. This is analogous to quality management and customer satisfaction - if one asks whose responsibility these are, the answer should be "everyone's" since these are fundamental to the ability to produce products and sell them profitably into the long-term. We need to encourage a similar perception of environmental and social performance.

○ Kokubu

Mr. Bennett indicated many things. One important thing that I would like to highlight is the time period. The sustainable management differs from general management in time period, that is, whether it is farsighted or short sighted. For business management, as Mr. Yamamoto said, it is very important the environmental measures can be beneficial and profitable to corporation business in long-term.

Another important point is information disclosure to stakeholders outside of companies or management of stakeholders. By changing the minds of the stakeholders, the company's environmental measures can be led to a positive factor in the future. Mr. Bennett further pointed out that the government can also play a role; and various measures and methodologies are necessary within a company. He also discussed about the motivation and capabilities.

Mr. Yamamoto and Mr. Bennett indicated many issues about promoting factors and inhibiting factors.

Next, I would like to ask Mr. Lee, Mr. Seo and Mr. Kato to dig down this issue highlighting out of what you have just heard from their comments from the point of your own background like Korean academic society, the financial world, or NPO. Mr. Lee, please.

2.1.3. Required points to promote sustainable management

○ Lee

I just want to point out 2 or 3 three points to promote environmental management or sustainable management. I think that at the country level, the important thing is how to change the industrial structure in the long-term. In the case of sustainable management or sustainable business levels, I mean in that case, we need to solve the resource problem and pollution problems. For that, we should change our existing business portfolio into more sustainable ones. Another one is business internal change like eco-efficiency that kind of tools can be utilized in the second case. So, there are two kinds of approach can be used of the future sustainability.

Based on this concept, the important thing is top management commitments as many presenters have said. Based on my experience, we had a couple of opportunities to make some presentations, teach and discuss with CEOs, but the final question is what are the tools. What and How can I use? Therefore, in order to solve these issues, we need some experience of benchmarking and research. For that purpose, I would like to say that the academia should to develop the theoretical framework and experience and benchmarking materials or whatever. As far as I know, even in Korea and Japan, there are not so many activities in academia, and we need that kind of effort in terms of academia and some associations.

Finally, I would like to raise one issue, which is how to promote the small and medium enterprises? In Korean now, we are developing one policy measure, using the chain concepts. The government cannot support directly to all small and medium enterprises, some key players, some big companies have quite a close relationship with large members of the suppliers. If the key players can do some roles in the middle of that, the result will give some impact in many ranges of small and medium companies. In this case, the government can support the money and resources. So, that kind of mechanism can be applied in the industrial sustainability. The key player can adopt the green policy and some measures. That is one of the concepts to expand our concepts to small and medium enterprises. Thank you very much.

○ Kokubu

I think there were three points in what Mr. Lee said.

First point is the industrial structure, that is, how business portfolio can be changed. If time allows, I would like to ask Mr. Yamamoto to discuss this point later on. Basically, companies have just been making things and selling the products and this system has given impact to the environment. So we should consider providing service, not only products. What we are providing is service. I think that the new concept is close to leasing, and the computer industry is related to this kind of new structure.

Also next was regard to how top management can make commitment, how they take actions, and how the academic society can play a role in providing the tool for the top management to make commitment. We researchers are deeply involved in it.

The third point was with regard to small and medium-sized companies. With regard to supply chain management, as said by Mr. Bennett, even if the impact of the environment by one company is reduced, if the impact is just shifted to another upstream company, there is no reduction in global environmental load. Supply chain does not consist of only large companies, if anything, what we are supplied by the suppliers are assembled at the assembly manufactures and provided as products, so supply chain management is very important in terms of small and medium sized companies as well as environmental loads.

Next, I would like to ask Mr. Seo to make a point.

2.1.4. Company staff required environmental awareness

○ Seo

Environment has become main stream of business beyond energy saving or social action

As Mr. Yamamoto talked about top management, mechanism and consensus, I think employees are very important in connection with the third point, consensus within a company. Financial institutions kept distance from environment before, as employees thought that their business doesn't place

much load on the environment and have nothing to do with it.

But, under the present situation, as for insurance industry, a wide range of companies is taking more environmental risks. Non-life insurance companies make a business of dealing with risks, so we have a chance of developing new insurance products, or we directly connect environment with business as the above-mentioned eco-fund. So, we have progressed from energy saving, recourse saving and social commitment to become involved with environment in main business, which is an enormous progress. Under such situation, employees have become to consider environmental issues as their own problems, fostered a consensus that environment is beneficial and profitable for their company and addressed environmental problems.

10 years have passed since The Yasuda Fire & Marine Insurance Co., Ltd started to address environmental problems, and as late as recently, employees have become to work with an awareness of the environmental protection. As the highest priority, of course, top management must take the leadership and next employees also must commit to environmental activities within the company, for example, acquisition of ISO.

Employees are also citizens, so when they are awoken to the environment, they practice eco-life in their home. In that sense, it is very important how companies carry forward environmental education of employees.

Basically, each of the employees has to handle things as practical matters. In the case of our company, all employees have not reached at the same awareness level yet, but I think that about half of them have fostered a consensus. If financial institutions awoken to the environment, environmental measures at the business side are likely to advance rapidly.

○ Kokubu

I think that Mr. Seo pointed out the importance of employees' awareness. I myself have discussed with various people from different corporations, and a lot of employees have joined a company as they are environmentally friendly. And if such persons are excellent ones, more environmentally conscious company can recruit qualified staff, so corporate environmental measures will affect a long-term profitability. Then, I would like to ask Mr. Kato.

2.1.5. Environmental measures are not a cost factor.

○Kato

I would like to focus on one inhibiting factor. It is an “old fashioned” perspective of regarding environmental measures as mere a cost factor. Why I say “old-fashioned” is because I used to take charge of pollution administration and probably the first official for automobile exhaust emission. 35 years ago, when Environment Agency was nowhere to be seen, I was responsible for automobile exhaust gas regulations at pollution department of Health and Welfare Ministry.

The Japanese automobile industry at the time, as typified by Toyota, Nissan or the like is “thin industry” according to Ministry of International Trade and Industry, and I still vividly remember the conversation of those days, “It’s ridiculous to call for antipollution measures to such thin industry. What do you think? Are you an antinationalist?”

It means environmental measure is a cost factor, what is even worse, wrong conduct that makes a mess of Japanese economy. Even now, after 35 years of those days, many people consider that environmental measure is mere a cost factor.

On March 29 of this year, President Bush declared that U.S. would withdraw from Kyoto Protocol because global warming measures were against the interest of U.S. It may be impolite to say that President Bush considers environmental measures as mere a cost factor, but I am so shocked at the President’s remark.

I’ve met various people during 8 years’ NGO activities and to my regret, when the business becomes dull, many people give up environmental measures for economic reasons.

Whether environmental measures improve the economy or not? It has been much discussed among economists, and also in the recently issued booklet of Environmental Economics Association, leading economists argue over the problem. Maybe Prof. Amano and Prof. Kokubu took part in such discussion. I don’t understand technical issues very much, but from about 40 years’

experience in antipollution activity, I never think environmental measures as mere a cost factor. To see the existing Japanese automobile industry, antipollution measures at the time were, without question, proper choice. Environmental capacity has already become full, and nevertheless if company, citizen, country and community, all of them want to maintain the present situation, they mustn't consider environmental measures as mere cost factor.

One problem is lack of information. People who think that environmental measure is mere a cost factor are generally too ignorant about the influences of past environmental activities on macro economy as well as micro economy. So, I would like every company member, from top management to lowly employee, to study the meaning of environmental measures, ecological ethics, environmental loads and so extensively in term of economics and business administration.

In connection with it, NGO can play some roles. In approaching to a company, we are often turned off by saying "You are god of poverty. Don't come in such bad times" and when we ask them to become a member of our NGO, they probably answer that it's impossible in tight economic times. As the phrase goes, poverty dulls the wit. Environmental NGO has considerable wisdom and information and can think up an idea that elite businessmen can hardly imagine. So, companies must think in this way: god of wealth, not god of poverty, comes to us, and we have now a tough time because traditional approaches were wrong, please provide any new idea, we are anxious to be a member to obtain new ideas from you, which elite in our company can hardly imagine. Why do they think so? Why do they send us away as if god of poverty? I think as the proverb says, poverty dulls wit.

The problem lies in the fact that top management loses ethics and there is no taxation system for supporting corporate ethics. It is necessary to apprise top management and companies that practice proper environmental measures on one hand, to punish or impose burdens on companies that generate more environmental loads on the other hand. We should abandon the old-fashioned idea that environmental measure is mere a cost factor in 21st century, or environmental management will not progress smoothly.

○ Kokubu

Finally, Mr. Kato talked about that we shouldn't think environmental measures as a cost factor.

We have come to a very interesting discussion now, and in the interest of time, I would like to focus on some of the points. I would like to ask a question to the panelists and cover two questions to Mr. Yamamoto and one question to Prof. Amano from the floor, and I will present these questions later.

First of all, as Mr. Kato pointed out, environmental measures are considered as a cost factor and companies cannot take any environmental measures because it is expensive,. There are possible two solutions for that.

One is reform of taxation system as Mr. Kato said. Taxation system can provide incentives and disincentives, but in view of today's theme of environmental management we will not discuss them. Another possibility is that we go beyond the taxation system and consider whether the environmental measures are a cost factor or not in the real accounting sense. Mr. Bennett is an authority of the environmental management accounting. From the viewpoint of environmental management accounting, could you comment on whether the environmental measures are a cost factor or not?

○ Bennett

It is not possible to generalize universally and say that environmental measures will always be either a net cost or a net benefit. Some positive actions can clearly create net benefits relatively easily through environmental audits, and there are several cases to evidence this in the areas that we might expect such as resources efficiency. Further net benefits may also be available but be more difficult to prove without some more sophisticated environmental management accounting techniques, such as the re-design of processes and products and perhaps their re-engineering based on a life-cycle analysis. Changes such as these may incur initial costs to achieve them which in conventional accounting have to be written off and therefore reduce profits in the short-term, even though they may lead to increases in value in the longer-term.

After this there may still be actions that a company could take which would improve the environment or society, but which will damage its own results in both the short-term and long-term - in other words, where there is a mismatch between the external costs to environment and society, and the company's own internal costs. Some of these discrepancies may be resolved purely within the market-place in the long-term - for example, market prices of non-renewable natural resources may increase beyond general inflation due to shortages, so that a company which has anticipated this and reduced its dependence will enjoy a competitive advantage over less far-sighted competitors. However in most cases addressing this requires government action, through green taxes or other types of instruments, in order to create a context in which the corporate behavior that is environmentally responsible is also that which is financially profitable - in other words, to "internalize" those costs which are presently only external.

○ Kokubu

Thank you very much on this point. Are there any comments from the panelists at this point?

○ Yamamoto

I become aware of the importance of management concept from what Mr. Kato said. I think, for example, how to improve safety and hygiene of workplace in a company for employees will progress to a broader environmental concept.

As to whether environmental measures are considered as a cost factor or not, environmental measures never generate extra costs on a long-term basis as I mentioned. In the case of Green Purchase Act, however, question of cost-up cannot become a subject of discussion. Without environmental measures, companies cannot operate a business in the market or not qualified for the bid.

Showing an example of the respect for human friendly, in the U.S., Rehabilitation Act mainly for disabled person was established in June. According to the act, unless information equipment manufactures provide products that both disabled person and healthy person working in federal agencies can use in similar way, they are not allowed to tender bids. For

example, we usually open a personal computer with both hands, but potential bidding companies must devise a method of opening it with one hand.

In the process of formation of recycling-oriented society, as companies cannot survive without environmental measures, the measures are not considered as a cost factor. What government can do is the reform of taxation system.

○ Kokubu

Mr. Bennett talked about energy efficiency and reengineering as financial benefits at the short-term to the long-term basis.

Mr. Yamamoto said that this is a matter of the company's survival, and there are some regulations in the background. Mr. Seo, the support from the financial market is also important. What would you recommend?

○ Seo

Some financial institutions become aware of the issues, but no financial institutions actually include environmental measures in conditionality of financing and give preferential treatment. Indeed financial industry is far behind in environmental measures than other industries, but it is going through some changes as mentioned earlier. Some financial institutions endorsed voluntary environmental codes of conduct such as the United Nations Environment Programme (UNEP) Financial Institution Initiative as bank. In this sense, financial institutions no longer implement joint action as in former days, but they still are very sensitive about the movement of peer, so will go forward environmental measures at high speed.

2.2. For the future sustainable management

○ Kokubu

We would like to discuss a little bit more, but in the interest of time, move to another subject.

There are two questions to Mr. Yamamoto's presentation as said earlier and I would like to ask him some questions which can be considered as an extension to the discussion.

To promote environmental management globally, IBM is using a universal united scheme, but each country has its own legal system. Laws in the United States don't apply in Japan though Rehabilitation Act is not necessarily related to environment. Mr. Yamamoto, how are you faced with a legal system in different countries? Do you apply with the most stringent legal requirements in the world? This is the first question.

As another question, IBM handles green procurement, environmental reports, ISO14001, eco-funds and the like, but especially, are eco-funds working as an environmental incentive? If so, I would like you to report the results and specific measures applied by IBM.

○ Yamamoto

I would like to answer to the first question as to how to handle country-by-country legal framework. We set our management standards and regulation values in accordance with the most stringent requirements in laws and regulations in the world as the universal united scheme. The pollution of soil and groundwater is restricted most strictly in Super Fund Act in the U.S. The act provides cleanup liability for pollution as polluter and also as landowner. We establish standards in accordance with the strictest global standards. To cite an instance in Japan, with regard to soil and groundwater pollution, the standards of local government may be stricter than those of national government. Shiga prefecture with Lake Biwa established strict controls over phosphorus earliest in Japan, and therefore IBM has such local standards and national standards as well as company's standards. On average, IBM's corporate standards are stricter than Japanese reference values by about one order.

Next, I would like to answer whether eco-funds are working as an environmental incentive in IBM. As said earlier, in 1967 we declared an environmental policy and since then we have addressed environmental measures taking account of global mechanism and tools, so eco-fund is relatively recent approach. So, at the beginning, we didn't clearly recognize eco-funds as an environmental factor, but it's a fact that we handle eco-funds and environmental rating as supports from market, as mentioned earlier.

○ Kokubu

As for other questions that we couldn't discuss, please refer to Mr. Yamamoto's book, "Environmental Management of IBM".

I would like to request each panelist to give us some final remarks, but before that, there are questions to Mr. Amano which raise a very important problem. I don't mean that each panelist has to answer this, but I think that this is an extremely important issue that we have to continuously think about.

"In Mr. Amano's lecture, there is a report that EMS accreditation or certification companies are not always better in environmental performance compared to other companies, while there is another report that the companies who do well in environmental information disclosure are good in environmental performance. So, introduction of EMS or information disclosure does not necessarily lead to the improvement of actual environmental performance, this is the question. It is pointed out that ISO 14001 or EMS is a management system issue, not performance." This point should be asked directly to Mr. Amano, but in the interest of time and place, I just wanted to raise this question here as the introduction to you.

We would like to invite each panelist to make final remarks. Finally if each panelist would like to add one more with your presentation, we would like to invite you to make final remarks.

○ Bennett

Thank you. I would firstly like again to thank you again for organizing today's symposium, which I have found very impressive as an event and in terms of what has been achieved in a relatively short time.

One final thought - financial people talk in terms of returns and risks, and much of what we have discussed today can be positioned in those terms. The factors which influence business returns and risks - the value drivers - can change over time, and our interest in sustainable management reflects an expectation that one of the main drivers of future value will be environmental and social management and performance. Although the fundamental influences on long-term value drivers may persist over a long period, they are often not generally perceived as such until some incident makes them

generally apparent - for example the Brent Spar controversy in bringing end-of-life disposal issues to the headlines, and Three Mile Island and Chernobyl in making evident the risks that had always been present in the use of nuclear power as a source of energy. In a different context, the events of 11 September dramatically and brutally made evident the risks that had been there for a long time - between the 10 and 12 September there was no significant change in the real underlying risk, but an immense change in perceptions of it.

Even though corporate managements and the public generally may not always be receptive to arguments for sustainable management, this may change suddenly and unpredictably. Our responsibility is both to encourage managements to be more far-sighted and to be able to anticipate rather than merely react to problems, and ourselves to be ready for when events mean that the techniques of sustainability management become generally recognized as important to companies success and therefore in high demand.

○ Kato

I would like to say two matters. As to the question to Prof. Amano stated earlier, because environmental activities such as environmental management, reporting and so on have just started, findings are sometimes positive and sometimes negative. However, companies which properly perform environmental reporting will certainly improve environmental performance, after building up their experience more 3 to 5 years. So, in my interpretation, findings vary from case to case for no other reason but lack of experience.

In addition, today we have discussed environmental management, but I hope that the term “environmental management” will disappear soon. Desirably, all management becomes environmental management, and it means that management as discussed in this symposium will be achieved and the term “environmental management” will disappear. Unless all of large, small and medium-sized companies perform environmental management without delay, global environment will be actually destructed. If so, economy and management will be all screwed up, so paradoxically speaking, I hope that the term “environmental management” will disappear soon.

○ Lee

Just my final point is to how to cooperate with each other in terms of global or regional countries. I would like to invite you to a meeting next year in Seoul or some other some city in Korea, so please give me some help based on the experience of this kind of organizing. Exactly one year later, I'd like to hold this kind of symposium or workshop in Korea. Thank you very much.

○ Seo

Firstly, I would like to talk about sustainable management which mentioned by Prof. Kokubu from the viewpoint of environmental department of corporation. Corporations tend to be assessed environmentally as well as socially, so I realize that companies must address social aspect in addition to environmental measures in the future.

In addressing social matters, the key point is that personnel or other departments have to cope with them precisely and disclose information, so one more task is required to bring together these activities. Engagement of top management will become increasingly important. Now we must fully recognize that companies are assessed environmentally as well as socially and have to meet with each requirement.

○ Yamamoto

To add one with my presentation, I agree to Mr. Lee's opinion that for example academicians of Japan and Korea should exchange and share information on environmental management tools and sustainable management for small and medium-sized companies more actively.

When we produce products in China, Thailand or so on, it is also important to request to or consult with the government of the partner country and do information exchange. Probably information such as purpose of legal revision in Japan is exchanged between both governments. Globalization of environmental issues is rapidly progressing, however, so we must direct our attention to also foreign countries. In order to exchange information with foreign countries, especially Southeast Asian countries neighboring to Japan more often, interchanges among academicians and government-to-government approach are required. I hope to help positively such exchanges as a person from a company, if necessary.

○ Kokubu

Thank you very much.

Environment management and environmental accounting mainly in the Asia-Pacific regions are going to be more discussed in tomorrow's workshop, wherein EMAN-AP will be established. We invite the government people, company people, academicians and visitors as well to have a place where much discussion can be conducted.

In Europe, there is a network known as EMAN-Europe being initiated by Mr. Bennett. Would you please give us announcements regarding the next conference, Mr. Bennett?

○ Bennett

Thanks - yes, I should like to mention again that the next EMAN-Europe conference will be on 11-12 February in the U.K. The main theme is "Environmental Management Accounting and Governmental Policy", although papers are welcome on other topics too. I look forward to seeing again at the conference as many of you as possible who are able to join us there. Thank you.

○ Kokubu

Thank you very much. In Europe and Japan, there is going to be continuous discussion regarding environmental management and this is actually the end of the panel discussion. Thank you very much for your active discussion.