Japanese companies leading efforts on the Sustainable Development Goals
New report offers first glimpse of commitments made by Japanese business sector

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Tokyo, Japan (28 June 2017)—A new research report—based on surveys and personal interviews with as many as 250 Japanese companies—represents a first look at actions being undertaken by Japanese companies on SDG implementation.1

Key observations and findings of the report include:

• **Growing awareness, yet challenges remain.** Awareness about the SDGs has increased among CSR staff of selected Japanese companies from 61% in 2015 to 84% in 2016, although still has room to grow among top management, with 28% reporting familiarity with the SDG agenda in 2016. On the other hand, middle managers appear to be largely uninformed about the Goals, with only 4-5% indicating an understanding of the SDGs and their relevance to business. This presents an important challenge for Japanese CSR staff who must first persuade middle managers about the merits of action prior to top executives moving SDG-related activities forward.

• **Global Compact affiliation represents a key driver.** The report reveals a sizeable difference concerning levels of SDGs awareness between GCNJ member and non-member companies. A total of 79% of GCNJ member companies/organizations consider the SDGs as “important for improving corporate value related to sustainability” (58% for non-members), and 57% of members regard the SDGs as a “new business opportunity” (26% for non-members).

• **Partnerships remain crucial.** Although “government” was selected as the most important partner for SDG implementation in 2015 (62%), percentages for “customer” (34% → 60%) and “suppliers and buyers” (37% → 56%) increased dramatically in 2016.

• **Important work lies ahead.** The report identified several obstacles in the way of Japanese companies taking action on SDGs, including “Low understanding about the SDGs inside a company” (66%), “Undefined method for internal deployment” (66%), “Low social recognition” (63%), and “Unclear evaluation methods such as quantitative indicators” (52%).

The report provides advanced case studies on a number of leading Japanese companies, including: AEON CO., LTD.; Ajinomoto Co., Inc.; ITOCHU Corporation; ITO EN, LTD.; LIXIL Corporation; OMRON Corporation; Saraya Co., Ltd.; Sompo Holdings, Inc.; Sumitomo Chemical Company, Limited; Sysmex Corporation; and Takeda Pharmaceutical Company Limited.

Snapshot of main messages on SDG actions led by Japanese companies:

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1 Global Compact Network Japan (GCNJ), together with IGES conducted a questionnaire survey of 233 GCNJ member companies and organizations, as well as face-to-face interviews with 17 companies (including 1 non-member company) and external organizations.
Japanese companies primarily use the SDGs as a checklist for determining the consistency of actions with existing corporate priorities and objectives.

Several Japanese companies are starting to move towards positioning the SDGs at the core of their business model—such as incorporating the Goals into corporate missions, visions and strategies—reflecting that these companies recognize the importance of utilizing the SDGs as a trigger to leverage brand equity and improve their overall value proposition.

It is important to communicate to top executives and middle managers that “the SDGs project an ideal image of future society, and thus reflect the genuine needs of people and communities. Actions on the SDGs correspond to what people need and want, which translates into increased business opportunities”.

It is also vital to foster an environment where multiple stakeholders can cooperate on promoting actions on the SDGs. National and local governments, for instance, can lead this process by advocating a broad and inclusive vision on SDG implementation. This requires a clear understanding on what is needed, including mechanisms for addressing information gaps at the local and sectoral levels, and establishing knowledge sharing platforms to collect and disseminate information on good practices carried out by corporate actors.

The report is available at:
http://www.ungcjn.org/activities/topics/detail.php?id=212

For more information on GCNJ and IGES:
GCNJ: http://www.ungcjn.org/sdgs/index.html (Japanese only)

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GCNJ is one of the Local Networks of the UN Global Compact in Tokyo Japan. To realize a sustainable world, GCNJ has been providing a platform for learning, cooperation and communication to member companies and organizations as well as relevant stakeholders aiming to integrate sustainability strategies into corporate management through practices based on the UNGC’s Ten Principles.

IGES is a non-profit, research institute headquartered in Hayama, Japan with offices in Kansai, Kitakyushu and Tokyo, as well as in Bangkok, Thailand and Beijing, China. Information on IGES research, networks, and events are available on the IGES website: http://www.iges.or.jp/en/