



GCNJ sub-committee meeting members hold up signs representing the seventeen SDGs following a New Year's Eve party in 2017. Photo: Courtesy of GCNJ

“Defense” as a Business Opportunity for “Offense”

The solutions to common global issues proposed by the United Nations’ Sustainable Development Goals (SDGs) also lead to the business expansion of global companies.

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GLOBALIZATION has progressed rapidly since the 1990s, while its negative impacts have also been evident. Many issues that can no longer be solved by nations and international organizations alone, such as massive deforestation and child labor, have been particularly conspicuous.

The United Nations Global Compact (UNGC), which was launched in 2000, is a global framework



Toshio Arima, Chairman of the Board of Global Compact Network Japan (GCNJ)
Photo: Tadashi Aizawa

for realizing sustainable growth with the aim of solving these issues through cooperation between the United Nations and companies. Currently, more than 13,000 companies and groups in about 160 countries have agreed to and signed the UNGC.

Global Compact Network Japan (GCNJ) was established as a local network in Japan in response to the UNGC in 2003. Toshio Arima, who is the Chairman of the Board of the GCNJ and a Director and Executive Advisor to the UNGC’s board, says that SDGs will become more and more important for Japanese companies as well.

Arima says, “By around 2007, only about sixty companies and groups had signed the UNGC in Japan, and I think that the top management showed far less interest in the UNGC than those of other Western countries, China and South Korea. But corporate managers who believe that companies should exist for society have led the movement, which energizes the argument that Japanese companies should also pursue their social responsibilities through business operations. Japanese companies will also need to accelerate the efforts for the SDGs.”

MDGs, which set goals to be achieved by 2015, were more about developmental goals for common issues limited to developing countries, and corporate efforts were not easy. But the SDGs, which were adopted in 2015, are goals and targets that are approachable for developed countries as well, which make it easier for companies to single-handedly make a contribution.

Ten principles in four areas (human rights, labor, the environment and anti-corruption) designated by the UNGC are fundamental values, and the SDGs show the issues to be solved specifying these values. Arima says that SDGs are both offensive and defensive for companies.

Arima says, “I feel that currently, Japanese companies are taking a strong defensive stance, including observing the rules. When a company operates globally, for example, it builds plants in developing countries and works with local business partners. The company establishes governance to prevent problems from occurring. This is, so to speak, the establishment of a ‘defensive’ structure. As a result, this approach will lead to the seventeen goals of the SDGs. On the other hand, however, I think it is necessary for Japanese companies to proactively take ‘defense’ as a business opportunity for ‘offense.’”

In the situation in which SDGs are underway, investors also show strong interest in SDGs and incorporate corporate measures for SDGs into their evaluation criteria. Many global companies think of SDGs in terms of measures for solving common global issues as a business opportunity.

Arima says, “It is ideal that the corporate pursuit



A joint seminar on the SDGs held by GCNJ and Nikkei Business Publications
Photo: Courtesy of GCNJ

of opportunities for growth, such as tapping into new markets, is a perfect fit with the issues of SDGs. The GCNJ holds sub-committee meetings by theme and has discussions and exchanges of information about SDGs. In addition, the GCNJ holds seminars and forums, organizes a SDGs task force made up of specialists, discusses how to utilize SDGs within companies and what message Japan should send, and sends messages via the media.”

Companies have to produce ideas to make profits while contributing to society. For example, companies need to accumulate ideas to resolve the issue of reducing recycling costs and producing profits.

Arima says the following regarding this point: “Overcoming the contradiction between social needs and making profits will lead to social progress. One of GCNJ’s future issues is to expand its network more widely. The current network is limited to urban areas, and major corporations based in Tokyo and Osaka make up about 80%. We can expect small and medium-sized enterprises to join by expanding throughout the country.”

The last issue that Arima pointed out is the need to conduct a range of analyses to communicate in an easy-to-understand way that SDGs are business opportunities.

Further calls for domestic companies and sending strong messages are the key to supporting the progress of SDGs in Japan. 