

Keynote Speech

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Integrating the SDGs into business operations to “build forward better”

Today, not all countries are on track towards the SDGs, and we lag far behind our goals in climate change, poverty, and inequality in particular. The Covid-19 pandemic has exposed the fragilities in our society, necessitating urgent action to solve the root causes of the problems. With the coronavirus crisis, the need to intensify our efforts on the SDGs is greater than ever. We have to transform our mindset to “build forward better,” to work towards creating a better future rather than returning to our old ways.

I believe that corporations and local governments are the two main leading players in realizing the SDGs. Of course, the national government must also take action. However, it is preferable and more effective for corporations and local governments to lead the way in stages. Recently, more and more companies are realizing the role they can play in building a sustainable society and aligning their business strategies with the SDGs. I would like to recommend “SDGs Compass,” a great guidebook illustrating concrete measures for corporations to integrate the SDGs into their business.

Last but not least are human rights. It is not too much to say that the SDGs were created for the sake of achieving human rights. Companies must understand that human rights are the main theme of the SDGs and integrate the SDGs into their business operations to transform society into a place where every individual can live as a human being with dignity.

(Excerpt and summary of keynote speech)

Panel Discussion

◀Moderator▶ **Tomoko Hoshino** Deputy Director of Environmental Partnership Council



Case report



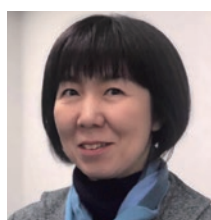
■ **Harushi Yoshihashi** Director of Client Liaison and Sustainability Promotion Office at Seiko Epson Inc.

Epson is contributing to building a sustainable society with “the value creation story” which identifies the social challenges and key issues for Epson to address. Epson has released “PaperLab,” an office machine that recycles used paper directly into clean white sheets of paper, to solve social problems while providing high-quality services.



■ **Katsuhiro Kondo** Manager at Patagonia Provisions, Inc.

With the mission “We’re in business to save our home planet,” Patagonia markets and sells outdoor clothing and gear. Realizing that food is one of the main causes of the environmental crisis but also a possible solution, Patagonia entered the food business. Patagonia Provisions uses business as a force for solving the environmental crisis by marketing food products from regenerative farming.



■ **Chika Yamanaka** Program Director at Toyota Mobility Foundation

The foundation is working to improve the system of mobility in small cities and mountainous areas in Japan, which are facing aging and declining populations as well as challenges due to the shrinking public transportation system. The foundation strives to improve access to transportation by working with local stakeholders (local governments, citizens, public transportation companies, and NPOs) in various fields (transportation, welfare, education, health care, and tourism).



■ **Mariko Kawaguchi** Specially Appointed Professor at Rikkyo University/Executive Advisor to CEO at Fuji Oil Holdings Inc.

She conducted research on sustainable challenges at the Daiwa Institute of Research until 2020. Collaborative partnerships among business (CSR), finance (ESG investing), and lifestyle (ethical consumerism) are indispensable in building a sustainable society. As a means to transform the economy, ESG investing is rapidly expanding in the Japanese market.

Panel Discussion

Hoshino How can we transform a corporate philosophy into business?

Kondo In the early 90s, we realized that business has an immense impact on the environment. We soon set an ambitious goal to manufacture products with minimal environmental impact, which has allowed us to steadily solve problems and transform our operations. It is crucial to set a vision or goal with a concrete image of the future and to carry on without stopping.

Hoshino What do you consider when working with local communities?

Yamanaka It is important to start by discussing and establishing a shared goal among the members of the local community. It takes time to reach a consensus when working with people from different sectors of society, but the process itself is very meaningful. Such dialogue is the foundation of a strong team working towards a shared goal.

Hoshino What is your view on business and human rights?

Yoshihashi Human rights are one of our top priorities included in our ‘value creation story’ as a key issue. We are part of RBA, an information-processing device and electronics industry coalition dedicated to CSR. We work collaboratively with our factories, suppliers, and distributors to fulfill our CSR.

Hoshino What are the recent trends in ESG investing and ethical consumerism?

Kawaguchi Environmental risk is increasingly being included in the criteria for examining investments and loans. Retail stores are prioritizing stocking products with Fairtrade and environmental certification marks, showing that consumers are becoming far more conscious about sustainability.

Hoshino How can we increase profitability? (A question asked by a participant)

Kawaguchi If we knew the answer, I think everyone would already be doing it. First, we must train our employees to be able to grasp society’s needs. Second, it is important not to assess the profitability of a project right away, but to cultivate the project with a long-term perspective.

Seki There is no single answer. Each company should discuss with its stakeholders to define its key issues. There are 17 sustainable goals and 169 targets in the SDGs. Each company should read them all to find connections with its business.

Hoshino How should we approach environmental problems that do not directly affect the profitability of our business? (A question asked by a participant)

Seki The profits that appear in the quarterly statements should be considered separately with a different timespan from the profits that are generated in five to ten years. Actions for the environment should be considered as future financial information, rather than as non-financial information.

(Summary of discussion)

