

# A Study on Corporate Practice in SDGs and Value Creation Management

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## Abstract

SDGs (Sustainable Development Goals) consist of 17 targets, 169 targets and 232 indicators as objectives the international community should achieve by 2030 for sustainable development. Although not legally binding, governments, including Japan, have pledged to try to achieve the SDGs. The SDGs are considered as a universal common language for social issue resolution efforts up to 2030, as their scope is so broad that they apply to all countries and regions. Although companies are not required to deal with SDGs, they cannot be ignored if future corporate activities are considered, including the global value chain.

Companies are actively working on SDGs, and some have identified SDGs as part of their CSR (Corporate Social Responsibility). On the other hand, companies that see SDGs as business opportunities are attracting attention, and a virtuous circle that leads to the improved image of being a good company that considers the environment and society has begun to emerge.

The efforts of the SDGs are required over the long term until the 2030 target year. It is expected that sustainable corporate competitiveness will be improved by incorporating SDGs into the main business while reviewing business activities and market issues from the perspective of SDGs without making it a transient approach. Such expectations rest on the shoulders of management, and we need to work towards the formation of companies that are trusted by society.

## Key words

SDGs, Value Creation Management, Top Manager, CSR, ESG

## I . Introduction

The SDGs (Sustainable Development Goals) adopted by the United Nations General Assembly on September 25, 2015 have 17 goals common to the international community, such as poverty eradication, correction of disparities, and climate change measures by 2030. It aims to be achieved. The characteristic of SDGs is that companies are positioned

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as the main players in problem solution. Companies are incorporating the 17 goals set by the SDGs into their business strategies, and are increasingly taking advantage of them as business opportunities. For example, Challengery is developing a business that generates electricity even in a typhoon as SDGs business. Specifically, with the world's first practical vertical axis Magnus-type wind power generation, the project is supplying electricity to islands in developing countries where power outages last for several months or more during typhoons<sup>1</sup>. Euglena has a mission of "Making the health of people and the earth" with Midorimusi, and by using Euglena technology to make by-products (residues) of bio jet fuel using Midorimusi, to enable sustainable culture. We are developing a business<sup>2</sup>. In addition to companies, the Japan Football Association and JICA (Japan International Cooperation Agency) are working on solving social issues related to 17 goals.

While not legally binding on SDGs, governments including Japan have pledged to work to achieve SDGs. Although companies are not obligated to deal with SDGs, if you consider future corporate activities including global value chains, it is important to work on SDGs. According to the SDGs Implementation Guideline formulated in December 2016, the Government's SDGs Promotion Headquarters recognizes that it is crucial for the private sector to contribute to the resolution of public issues. The SDGs Action Plan 2018, announced in December 2017, transforms companies, local communities and society through the promotion of SDGs, and realizes the economic growth and three pillars of Japan's SDGs model for global development. One is the promotion of the Society 5.0, which raised the public and private sectors linked to the SDGs. Under these circumstances, Nippon Keidanren revised its Charter of Corporate Behavior and Implementation Guidelines in November 2017, and has stated its contribution to achieving SDGs through the new economic growth model Society 5.0.

The related concepts of SDG activities include terms such as social business, CSR (corporate social responsibility), BOP business, and ESG (environmental, social and governance) investment. In fact, some companies have identified SDGs as part of their CSR. Taking the SDGs as a business opportunity, a virtuous circle has begun to be created that leads to the image of a good company that considers the environment and society. However, almost all large companies are working on SDGs, and in particular SMEs do not have a high level of awareness or understanding of SDGs.

This paper examines SDGs and corporate practices in value creation management. Specifically, as a concept related to SDGs, we will clarify the background and basic concepts of CSR, with the key concepts being the sustainable development of companies and society. Next, we examined the disclosure of CSR information for creating corporate value, introduced the relationship between SDGs and ESG, and the efforts of Japanese companies and organizations to SDGs, clarified the common points, and I would like to

present knowledge and issues through examples.

## **II. Basic concept of CSR seeking sustainable development of company and society**

The rise in demand for CSR in Japan stems from pollution problems from the late 1950s. Today CSR which is required by companies is a company management whose key concept is the sustainable development of companies and society. It is because the emergence of global environmental problems, the widening gap between the rich and the poor by globalization of economy, market and management, environmental destruction, human rights and labor problems etc. have come to be the factors that require sustainable development of companies and society. As a result, developing countries, NGOs, consumer groups, etc. have asked companies to act in a disciplined manner. The frequent occurrence of corporate scandals has increased the expectations and requests for CSR from various stakeholders.

Companies need to conduct business that emphasizes not only the economic role but also the social role. This has had a major impact on modern business management, and has asked the company and its business owners to act in a disciplined manner. Modern companies are expected to contribute to the sustainable development of companies and society through CSR as a member of the global society. The concept of sustainability is used in the context of environmental issues. The concept goes back to the United Nations Conference on the Human Environment in Stockholm in June 1972. Under the slogan, the One-Earth Declaration was adopted, which consisted of the seven clauses of the preamble and the twenty-six principles, as environmental issues have become a global and universal issue.

The concept of sustainable development can be seen in the "Our Common Future" submitted by the World Commission on Environment and Development to the United Nations General Assembly. Environment and development are not contradictory, and development is based on the foundation of environment and resources, and advocated the concept that environmental conservation is indispensable for sustainable development. This idea has been widely supported by the world and has a major impact on today's global efforts on global environmental issues.

There are two points worth mentioning here. Specifically, in the Johannesburg Declaration on Sustainable Development, (1) companies are obligated to contribute to fair and sustainable development in carrying out legal activities; (2) companies enhance management transparency and enhance accountability it is necessary to agree that the government level agrees. This declares that not only the state and administration but also companies have an obligation to carry out sustainable development. As a member of the global community, companies mean that the role of companies towards sustainable

development is being questioned. It can be pointed out here that corporate activities to contribute to the sustainable development of enterprises and society are questioned as the economic and social roles of enterprises.

### III. Issues of CSR Information Disclosure for Corporate Value Creation

In recent years, in order to convey corporate value to various stakeholders, there is a growing interest in integrated reporting that integrally discloses not only financial information but also non-financial information such as business strategy, environmental measures and corporate governance. Integrated reporting aims to link and disclose financial information and the company's efforts for sustainable development. It is characterized in that an annual report, financial statements, CSR report, etc. released by a company are compiled as one integrated report, and the future image of the company is depicted through disclosure and dialogue. In the past, information was dispersed as many companies issued many reports. Institutional investors can point out that the relationship between CSR and business performance was unclear and difficult to understand.

The issue of CSR reports and sustainability reports voluntarily issued by companies is increasing year by year. According to the Ministry of the Environment, the number of Japanese companies that publish environmental reports including CSR is about 1000, but the number of companies to be included in annual reports has increased for several years. Takeda Pharmaceutical Co., Ltd., Toyota Industries, Omron, Murata Manufacturing, Showa Shell Sekiyu, Benesse Holdings, AGC, etc. are published as one integrated report. In addition to the integrated report and the sustainability report, Hitachi, Ltd. issued the "Hitachi SDGs Report-Hitachi's Sustainability Initiatives for 2030" for the first time in April 2018, along with businesses such as medical devices and financial systems. It clearly indicates the relevance to the 17 goals<sup>3</sup>.

In April 2006, the United Nations issued to institutional investors the responsible investment principles to invest in ESG-friendly companies, such as environmental, social and governance investment criteria. The growing interest in ESG investments that emphasize ESG's efforts has helped boost efforts in SDGs. Therefore, institutional investors in the United States and Europe are asking companies to disclose information on ESG. On the other hand, for example, HORIBA's "HORIBA Report" (Integrated Report) introduces corporate culture, and assets that cannot be included in financial statements along with business and financial information (invisible assets) for the purpose of wanting you to understand more value. An integrated report has been prepared from the 2013 version that summarizes information on annual reports and CSR reports. For example, under the title "Creating value through invisible assets," we introduce training and exchange programs that foster human resources who can work globally, and give stakeholders stakes in corporate value including financial and non-financial

aspects<sup>4</sup>. It is outgoing. In OMRON's "Integrated Report" (Integrated annual report and corporate publicity report from 2012 version), based on the basic philosophy that "company is public institution of society", integrated reporting from the viewpoint of promoting corporate philosophy management Explains the significance of working on it. There, we declare our stakeholder management to build trusting relationships through honest dialogue with shareholders, business partners, etc., and aim to maximize long-term corporate value by well-balanced economic value and social value. What we have in common is to work as a strategic business combining economic activities and CSR, and aim to improve corporate value creation<sup>5</sup>.

However, not all companies have issued integrated reports or CSR reports. Just because we issue a CSR report does not mean that our approach to CSR is appreciated. Some companies just add an annual report to the conventional CSR report, and there are many conceptual or formal descriptions of the contents, and some of them are difficult to understand the concrete efforts and their results and issues. Companies need to set goals for remaining management issues and implement CSR practices on an ongoing basis.

Many of the companies issuing consolidated reports or CSR reports are large companies. Considering the high cost for third-party evaluations (auditing firms), there are difficult circumstances for small and medium-sized enterprises to issue annually. Integrated reports or CSR reports are one tool for disclosing the results of their own CSR practices to stakeholders. Among companies, there are companies that request specialized companies to prepare CSR reports. Therefore, we may not disclose company's negative information. Depending on the level of negative information, it will be important to increase management transparency and fulfill accountability in order to be trusted by society.

With regard to the disclosure of negative information that Japanese companies are not good at, it is necessary to have objectivity, such as receiving third-party evaluation checks and posting interviews with highly independent outside directors. It is a matter to consider how to improve the issues for disseminating integrated reporting while maintaining a balance between positive information and negative information.

#### **IV. Relationship between SDGs and ESG for Corporate Value Creation**

The opportunity for the term ESG to be known dates back to the UN's release of the responsible investment principle. As of September 26, 2018, 2116 institutions have signed the responsible investment principle. The asset management balance has reached more than \$ 70 trillion (about 7383 trillion yen). 65 institutions including the Pension Fund Management and Management Incorporated Administrative Agency that manages 144 trillion yen of public pension assets, the Corporate Pension Association, the Development Bank of Japan, the Labor Bank Association, and Japan Post Insurance (3% of the total)

have signed the Principles for Responsible Investment. It is pointed out that increased criticism of the short-term profit pursuit in the capital market after the Lehman shock of September 15, 2008 led to an increase in the signing of the responsible investment principle.

A similar concept to ESG investment is the term SRI (socially responsible investment). ESG investment has long-term risk adjustment, while SRI often emphasizes ethical values (tobacco, alcohol, gambling not included in investment), although there are different explanations for different differences in definition. It is said to have the effect of improving the later return. It is an idea that not all companies are involved in ESG, but all companies are related to ESG, and ESG's non-financial information is linked to the company's performance. Such a concept is also pointed out with regard to CSR and the performance of companies, and there is prior research that CSR is linked to performance<sup>6</sup>.

With regard to corporate value creation, companies that agree with SDGs aim to improve corporate value by incorporating in their business activities those that are suitable for their company out of the 17 goals. In that sense, it can be confirmed that companies are trying to reflect their activities related to economic activities, social activities and environmental activities as activities related to CSR activities or ESG, and are trying to reflect them in the business performance of the companies. It can be seen that the two sides are inseparable as the ESG activities are efforts to SDGs.

Related to SDGs and ESG, keywords of recent corporate governance reform include earning power, intangible assets, corporate value, medium- and long-term investment, aggressive governance, etc. The background behind the government's promotion as a flag leader needed to increase corporate value over the medium to long term through sustainable growth, promote constructive dialogue between companies and investors, and provide information and disclosure. It has been pointed out that corporate disclosures straddle multiple media and it is difficult for investors to understand. Therefore, he pointed out that an increasing number of companies have recently issued an integrated report as an integrated form of the annual report and the CSR report.

In Japan, there is no obligation for integrated reporting, but in the EU the disclosure of non-financial information is regulated in 2003 under the Accounting Act Modernization Directive. In the United States, non-financial information is defined in the integrated report, and South Africa has required the integrated report to listed companies on the Johannesburg Stock Exchange from 2010. Overseas, in many cases, it is obliged to disclose information on social and environmental initiatives or ESG in reports, under the relevant laws or regulations of the stock exchange. Recently, ESG investment has become more important as a company's invisible value. Management should understand that corporate governance is deeply involved in strategically investing ESG. Corporate governance is not a panacea at all for corporate scandals, and it is necessary to

pay attention in the future as the corporate value cannot be improved if the formal requirements of outside directors are set<sup>7</sup>.

## **V. Japanese companies and organizations' efforts to SDGs**

Efforts to SDGs cover all organizations. The Ministry of Foreign Affairs has introduced SDGs in terms of companies, local governments, NGOs / NPOs, education / research institutes, media, etc<sup>8</sup>. The Japan SDGs Award was established at the 3rd SDGs Promotion Headquarters in June 2017 in order to promote efforts by companies and groups to achieve SDGs and to promote All Japan's efforts. Specifically, the SDGs Promotion Roundtable is to honor companies and organizations that have made outstanding efforts to achieve SDGs as the SDGs Promotion Headquarters, and a wide range of stakeholders including NGOs, NPOs, experts, the private sector, and international organizations gather. The Japan SDGs award has been decided based on the opinion of the selection committee consisting of conference members.

The content of the award is one excellent project as the SDGs promotion headquarters general manager commendation, and the other four projects are the deputy general manager commendation by the chief cabinet secretary and the foreign minister. Special awards may be given to companies and organizations that are recognized as having outstanding achievements. The 2nd Japan SDGs Award was held on December 21, 2018, with 247 companies and organizations applying for the 2nd Japan SDGs Award Ceremony.

The Japan Food Ecology Center has won the 2nd Japan SDGs Award, General Manager of SDGs Promotion Headquarters (Prime Minister). The SDGs Deputy General Manager (Cabinet Chief Cabinet Secretary) received awards from the Japan Cooperative Association and Osaki Town, Kagoshima Prefecture, etc. There is. The SDGs Partnership Award (special award) has been awarded by the Yakult Head Office, Shiga Bank, Sanyo Women's Junior High and High School, and Fuji Television. It is worthwhile to commend the activities of companies and groups in this way and to promote the activities as All Japan.

In companies where SDGs are becoming mainstream, CSR or sustainability personnel are engaged in internal and external dialogues involving management, business divisions and middle management. Based on that, it is characterized that management and employees share the way of thinking about SDGs in the company, and set up organizational systems and systems in the same direction to promote business.

In addition to the Japan SDGs Awards, the government selects the local governments that are actively working toward the realization of SDGs as SDGs future cities, but Yokohama City, Kamakura City, Kitakyushu City, etc. have been recognized. On the other hand, examples of efforts to achieve SDGs in small and medium sized companies

are limited. In particular, the recognition of SDGs in middle management positions is low, and in the future, it is hoped that the emergence of efforts through the use of SDGs will be aimed at enhancing corporate value and competitiveness in middle and medium sized companies as well. In Japan, social problems such as fraudulent accounting and inspection of companies, long working hours, and termination of contract employees have attracted much attention. These are themes that are closely related to SDGs, there is an urgent need to work on improvement internally, and further efforts are expected on social issues.

## **VI. SDGs in ITOEN Group and Mitsubishi Electric Group**

In many cases, Japanese companies often refer to SDGs' perceptions and their contributions in top messages. It was pointed out that the majority of companies embarking on specific initiatives are large companies, but here we would like to look at examples of ITOEN and Mitsubishi Electric groups<sup>9</sup>.

ITOEN group has introduced a CSR system based on ISO 26000, an international standard, as a guideline for improving corporate social responsiveness and creating shared value. The introduction of SDGs to companies shows the concept of shared value creation, and recognizes that it is necessary to use it in terms of both business opportunities and risk aversion, and the proposal of Michael Porter (Porter, Michael E.) et al. We practice CSR / CSV<sup>10</sup> (Creating Shared Value) management by combining CSV. From these circumstances, ITOEN group furthered this system as a form that incorporates social issues from a long-term perspective up to 2030 in the past CSR / CSV system.

Toward the realization of a sustainable society and environment ITOEN group emphasizes earning the trust of its stakeholders based on the "Customer First" business philosophy. Based on the contents of SDGs, management incorporates the principles of the international standard ISO 26000, the domestic standard JIS Z 26000, and the seven core subjects through its main business. Aiming to become a global tea company, we will create new food culture and lifestyle proposals in Japan and around the world, and contribute to the realization of a sustainable society and environment through CSV that balances solving social issues with the growth of ITOEN group it are a way of thinking.

ITOEN group has established a basic policy for promoting SDGs in August 2017. ITOEN group has announced its policy of reinforcing its previous CSR / CSV system with SDGs, taking into consideration the interrelationship between CSR / CSV and SDGs. In particular, we are organizing on a trial basis in relation to core subjects with strong relationships.

The important task of Mitsubishi Electric group's CSR is to set the corporate philosophy and the seven action guidelines as the basic policy of CSR and aim at



becoming a global environmental advanced company that contributes to the realization of a rich society. Among the 17 goals that aim to achieve a balance between sustainability, security, safety and comfort as contribution by value creation, goal 7: energy for all and clean, goal 11: town development that can continue to live, goal 13: It is a concept that contributes to the achievement of SDGs by creating specific measures against climate change, creating value through technology synergy, business synergy, etc. and focusing on it. In terms of contributions through all corporate activities, ESG classifies 17 goals and works to position strong businesses as technology synergies and business synergy innovations.

The important issues of CSR and the concept of SDGs organize the four important issues in CSR as follows. (1) Realize a sustainable society, (2) Provide peace of mind, safety, and comfort, (3) Respect for human rights and active human resources, (4) Corporate governance, and continuously strengthen compliance (1) and (2) lead to contribution by value creation.

Mitsubishi Electric group is positioned as a corporate figure that contributes to the realization of a rich society in which a sustainable society and peace of mind, safety and comfort are compatible in its management strategy. Mitsubishi Electric group believes that it is necessary to define and focus on fields in order to contribute to SDGs, and Mitsubishi Electric group identifies important CSR issues, defines each goal / KPI, and achieves the goals. Are working towards We identify and review the important issues of CSR with a perspective of how we can contribute as a company to social issues, and we intend to contribute to SDGs focusing on the important issues of CSR there is.

The following is an example of the approach to SDGs common to Japanese companies. (1) Reflecting SDGs in CSR policies and concepts, (2) Using SDGs for analysis of important issues, linking SDGs to businesses, (3) Recognizing opportunities and risks in important issues of the company, and 17 of SDGs A variety of efforts such as linking efforts cases to goals, introducing social issues and in-house efforts along 4 value chains, linking contributions to SDGs, showing linking to SDGs by product category, etc. It is what is being done.

## **VII. Concluding Remarks**

With the SDGs formulated by the United Nations' 2050 Agenda for Transforming Our World, a major change is about to take place to realize a world where no one is left behind. In this article, companies and organizations introduced some of the efforts to achieve SDGs through various economic and social businesses, and explained their characteristics. The achievement of SDGs due to 2030 is not an ultimate goal, but it is only a process to deepen the understanding of the SDGs philosophy and spread it all over the world for the construction of a sustainable future must not. Meeting the basic

needs of human life, such as water and energy essential to people's lives, improvement of Quality of Life, and equal opportunities for everyone to grow together it is required to contribute to the realization.

It is also a problem that the importance of SDGs is not recognized especially in SMEs. The recognition of SDGs in large companies tended to link contributions towards their goals with specific company strategies and businesses, with management's commitment. In the future, it is necessary to clarify the process from goal to contribution, and to show what kind of measures will be taken for the remaining issues. Considering how to establish SDGs as a continuous approach to management activities, we are asked if we can formulate new business strategies as needed and create corporate value and create new business opportunities. It will come.

To that end, the company's task is to clarify the purpose related to SDGs and create a cross-organizational system. Even if a particular department individually works on SDGs without communicating with other departments, the level of understanding or achievement does not penetrate the entire enterprise. It is necessary to establish a management system for sustainable growth, and to actively engage in communication and engagement with stakeholders from a global perspective. Recognizing future management issues, working with a collective effort to solve them and continuously aiming to achieve the goals of the SDGs will be to work on a business that is conscious of the sustainability of the society, and will realize the sustainability of the company.

From the point of view of corporate value creation management, it is premised that the management needs to formulate a process to contribute to society through economic and social innovation business. Managers pursue new business possibilities aimed at solving social issues, and set specific and quantitative KPIs for social and environmental values provided by economic and social innovation businesses it is necessary to promote the business while checking the progress. It is important to consider the 17 goals of the SDGs from a long-term perspective and incorporate sustainability strategies into the next medium- and long-term business plan for the next fiscal year. As for the performance evaluation of the progress and results of the sustainability strategy, it is required to understand whether it contributes to the achievement of the target assumed by the United Nations as an improvement of efforts and to put it into practice.

Although the company's approach to SDGs has just been started, it is necessary to verify evaluation methods in order to capture business opportunities and reflect on corporate value. The efforts of the SDGs are required over the long term to the 2030 target year. Aiming at achieving SDGs while reviewing business activities and market issues from the perspective of SDGs is one of the practical issues for companies.

## Notes

- 1 The company is working on the idea that it will innovate in wind power and supply safe and secure electricity to all human beings, and electrify non-electrified areas in emerging countries such as the Philippines where typhoons visit every year. It aims to go. Please refer to HP (<https://challenergy.com/>) for details.
- 2 Euglena is engaged in R & D, production control, quality control, sales, etc., related to microalgae with a focus on Midorimusi (scientific name: Euglena). Taking advantage of the characteristics of Midorimusi, while trying to create new solutions for food and environmental problems, we are working on multilateral business development. For details, refer to HP (<https://www.euglena.jp/>).
- 3 For details, refer to Hitachi, Ltd. Sustainability Promotion Headquarters (2018).
- 4 For more information, see Horiba (2017).
- 5 See Omron (2018) for details.
- 6 See Aoki (2016) for details on linking CSR and corporate performance in the long run.
- 7 Corporate governance reform does not mean that corporate scandals have disappeared. The contents of corporate scandals are diverse and the causes are also diverse. In particular, the governance of overseas group companies is not easy to see, and it is the point of the board of directors who is involved in crisis management as internal control.
- 8 There is a Ministry of Foreign Affairs site (<https://www.mofa.go.jp/mofaj/gaiko/oda/sdgs/index.html>) that introduces a wide range of efforts related to SDGs.
- 9 ITOEN (2018) and HP (<https://www.itoen.co.jp/>) were referred to for examples of ITOEN group. Mitsubishi Electric group case was considered with reference to Mitsubishi Electric (2018) and HP (<https://www.mitsubishielectric.co.jp/>).
- 10 Michael Porter advocates the concept of Creating Shared Value as a strategy of common value to realize both economic value and social value simultaneously. The idea is to create social value by responding to social needs while creating economic value. By working on the creation of common values, new capitalism is created, and it is considered how companies should respond. See Porter, Michael E. and Kramer, Mark R. (2011) for details.

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## Appendix

### JAPAN The SDGs Implementation Guiding Principles

December 22, 2016  
SDGs Promotion Headquarters

Ministry of Foreign Affairs  
March 31, 2017

#### Outline

##### Vision

Set out a vision for Japan to be the champion of sustainable and resilient society in which “no one is left behind.” Japan intends to be a leader in creating a better future, in which the three dimensions of sustainable development, namely, economic, social, and environmental are improved in an integrated manner.

##### Implementation Principles

(1) Universality (2) Inclusiveness (3) Participatory (4) Integration (5) Transparency and Accountability

##### Follow-up Cycle

Expected to conduct a first follow-up by 2019

##### Priority Areas and Policies

###### 1. Empowerment of All People

Realization of Dynamic Engagement of All Citizens / Promotion of Women’s Role in Society / Measures against Child Poverty / Assistance to People with disabilities for Social Participation and Self-reliance / Promotion of Quality Education

###### 2. Achievement of Good Health and Longevity

Measures against Antimicrobial Resistance / Enhancing Developing Countries’ Health Sector and Improving Their Public Health and Measures against Infectious Diseases / Tackling the Issues Associated with Aging Populations in Asia

###### 3. Creating Growth Market, Revitalization of Rural Areas, and Promoting Technological

Innovation

Creating Markets with Potentials / Revitalizing Villages around Seas, Mountains, and Farmlands / Improving Productivity / Science and Technology Innovation / Sustainable City

4. Sustainable and Resilient Land Use, Promoting Quality Infrastructure

Creating Resilient Land and Promoting Disaster Risk Reduction / Water Resource Development and Measures on Water Circulation / Promoting Quality Infrastructure Investment

5. Energy Conservation, Renewable Energy, Climate Change Countermeasures, and Sound Material-Cycle Society

Introduction and Promotion of Renewable Energy / Measures against Climate Change / Establishing Recycling-based Society

6. Conservation of Environment, including Biodiversity, Forests and Oceans

Measures against Environmental Pollution / Biodiversity Conservation / Sustainable Use of Forest, the Oceans, and Land Resources

7. Achieving Peaceful, Safe and Secure Societies

Tackling Organized Crime, Human Trafficking, and Child Abuse / Peacebuilding and Assistance for Reconstruction / Promotion of the Rule of Law

8. Strengthening the Means and Frameworks of the Implementation of the SDGs

Multi-Stakeholder Partnership / Mainstreaming SDGs in International Cooperation / Assisting Developing Countries to implement SDGs

The 2030 Agenda for Sustainable Development and Japan's Implementation

Ministry of Foreign Affairs of Japan  
March 31, 2017

The 2030 Agenda for Sustainable Development

The “2030 Agenda for Sustainable Development” (the 2030 Agenda) is a set of international development goals to be achieved by 2030, which was adopted at a UN summit in September 2015 as a successor to the Millennium Development Goals (MDGs) announced in 2001.

The international community witnessed measureable progress on the MDGs over 15 years. However, the goals on education, maternal and child health, and sanitation remained unachieved, and progress toward their achievement is lagging behind in some regions including sub-Saharan Africa. Over the same period of time, the international environment surrounding development has significantly changed, with new challenges to combat environmental pollution and climate change, and to take countermeasures against frequent natural disasters, as well as the diversification of actors working on development issues, such as private companies and NGOs.

In order to address these challenges, the 2030 Agenda sets out “Sustainable Development Goals” (SDGs) consisting of 17 goals and 169 targets that are interrelated and closely linked to each other.

The key feature of the SDGs is that while the MDGs were goals for developing countries, the SDGs are universal goals applicable to all countries and include issues that developed countries must address as well, such as inequality, sustainable consumption and production, and action to combat climate change. Furthermore, revitalizing a “Global Partnership” is incorporated into the Agenda so that various actors, such as governments, civil society, and the private sectors of both developed and developing countries, can work together to achieve goals and targets, using various resources, including ODA and private finance.

Japan's initiatives for implementing the SDGs—Launch of the SDGs Promotion Headquarters and Adoption of the Implementation Guiding Principles—

Based on a long track record of achieving sustainable development both at home and abroad, Japan is taking further steps, in domestic activities and international cooperation, to fully implement the 2030 Agenda, leaving no one behind.

### 1. Building the National Implementation Framework

On May 20, 2016, the SDGs Promotion Headquarters was launched within the Cabinet as a new National Implementation Framework to ensure a whole-government approach. Headed by the Prime Minister and attended by all Ministers, this entity will serve as a control tower to implement, monitor and review the efforts of the Government to implement the 2030 Agenda.

### 2. Formulating the Implementation Guiding Principles

On December 22, 2016, the Headquarters formulated the SDGs Implementation Guiding Principles as national strategy to implement the 2030 Agenda.

The Principles set out Japan's vision: "Become a leader toward a future where economic, social and environmental improvements are attained in an integrated, sustainable and resilient manner while leaving no one behind." The Principles also set out eight priority areas of focus by reconstructing the 17 SDGs in light of the national context, along with 140 concrete policies to implement domestically and abroad, listed with an index.

### 3. Taking a Multi-Stakeholder Approach

The SDGs Promotion Headquarters emphasizes enhanced partnership with a broader set of stakeholders, and established the SDGs Promotion Roundtable Meeting where all stakeholders including local governments, NGOs / NPOs, academia, the private sector, international organizations, and various other organizations, gather and exchange opinions.

In implementing the SDGs based on the SDGs Implementation Guiding Principles, the Government of Japan aims to cooperate more closely with all stakeholders, utilizing the Framework, such as these SDGs Promotion Roundtable Meetings.

In addition, the Government of Japan is making utmost efforts to reach people nationwide through various media to raise awareness and improve understanding of the 2030 Agenda across the broader public.

### 4. Supporting Global Implementation of the 2030 Agenda

Japan is also taking proactive steps to support the global implementation of the 2030 Agenda in a wide range of areas, such as global health, disaster risk reduction, promotion of quality infrastructure investment, and women's empowerment. These steps are being taken under the Development Cooperation Charter, which has adopted the concept of human security as a guiding principle.

Furthermore, Japan will support developing countries to formulate national strategies and programs and mainstream the SDGs into them.