

TT7 Thematic Track 7

Practical Guidance for SDG Integration through Interlinkages Analysis and Visualisation:

16:05 - 17:35, Room No.301+302

# **Business carbon management and the implications for SDGs**

**Strategic and Quantitative Analysis Centre**  
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# Business role and SDGs



## Pivotal role of business

In making a transformational change towards achieving sustainable production, they provide jobs and decent work, and run sound business through green investment to low-carbon technologies and resource efficiency, and green global value-chains.

# Interest and opportunities for SDGs

- **Buzzword of "SDG"**

The increasingly frequent occurrence of the "SDGs" among business circles is testament to the growing interest in taking action and forming strategic responses to the SDGs as part of business operations.

**BUSINESS FOR 2030**  
FORGING A PATH FOR BUSINESS IN THE UN 2030 DEVELOPMENT AGENDA

**SDGs BUSINESS PROGRAM**  
2018年2月17日 - 2018年11月25日  
SDGsを企業の成長の機会と捉える



- **Business opportunities**

Achieving the Global Goals could generate an estimated 12 trillion USD in market opportunities in four economic systems: food and agriculture, cities, energy and materials, and health and well-being (BSDC, 2017).



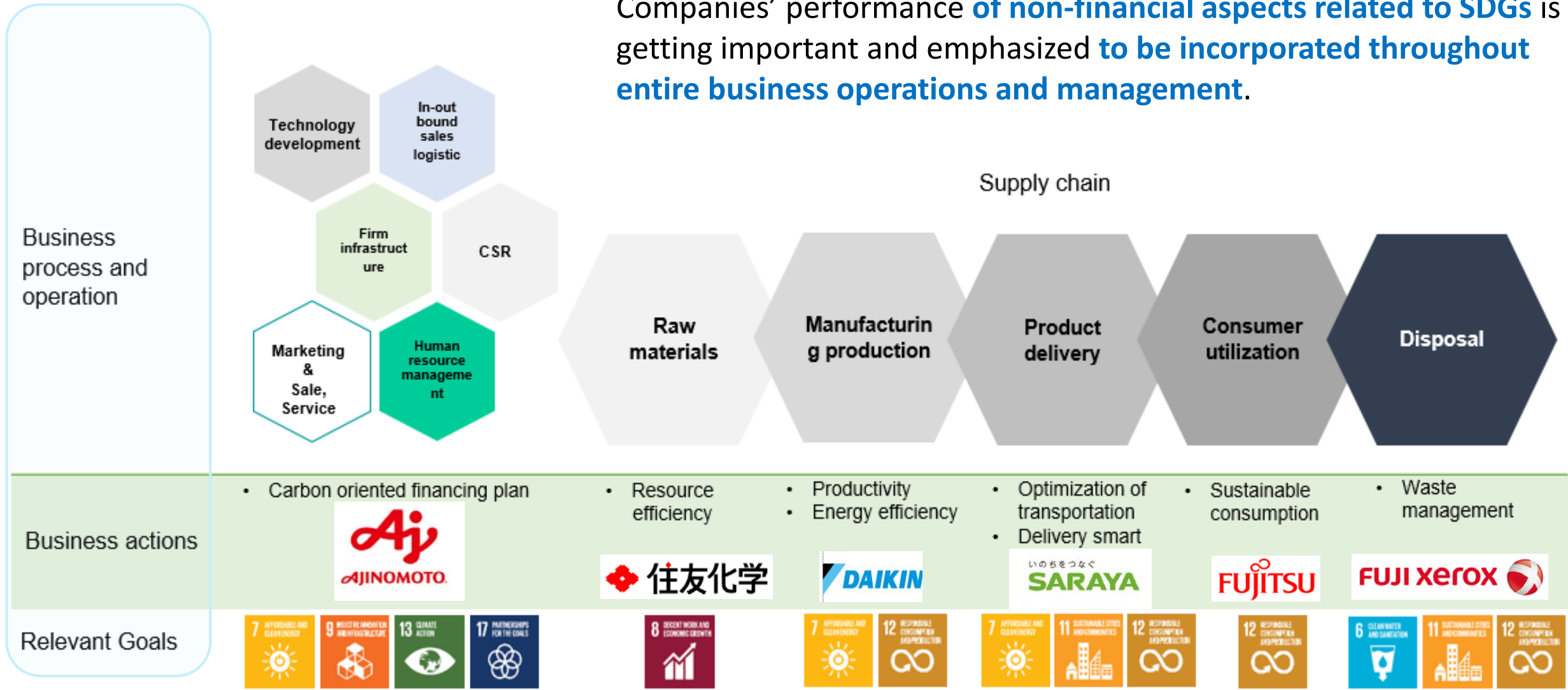
**JAPAN**

**The SDGs Implementation Guiding Principles**

December 22, 2016  
SDGs Promotion Headquarters

# Business process and relevant SDGs

Companies' performance of **non-financial aspects related to SDGs** is getting important and emphasized **to be incorporated throughout entire business operations and management.**



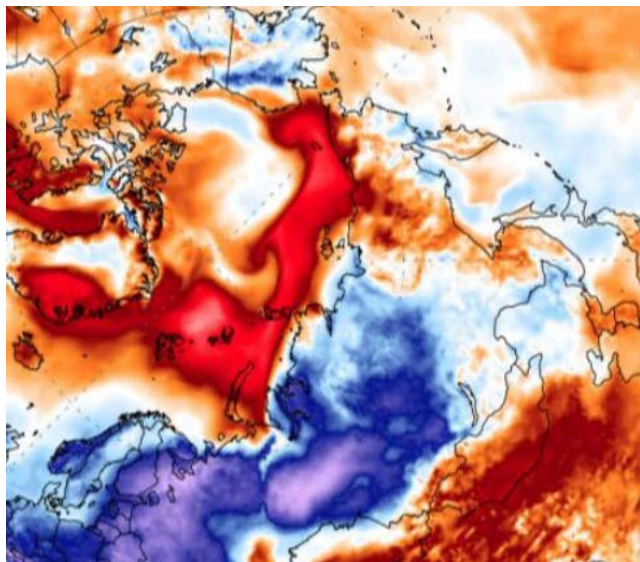


# Climate change under the SDGs and carbon pricing

The **2030 Agenda** identifies, in its paragraph 14, **climate change** as “one of the greatest challenges of our time”



As a key measure, attached a price to greenhouse gas emissions, **Carbon pricing**, has been introduced.

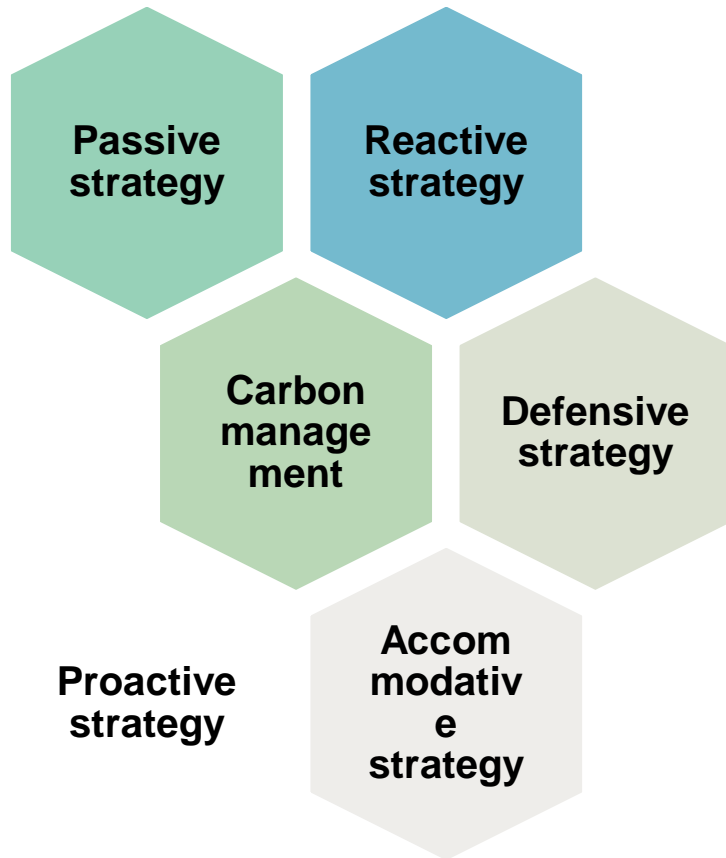


**SDG 13** aims to “take urgent action to combat climate change and its impact”

- **China**: Announced a National ETS (2017)
- **Japan**: Implementing city level cap and trading schemes (2010~), Imposed tax for Climate Change Mitigation (JPY 289/t-CO<sub>2</sub>)

**Private sector** better understands the risks of climate impact as well as pressures of related government policies such as carbon pricing on their business

# (1) Corporate carbon management



Item	Management Activities
CMA01	Collecting information on policy related to energy savings and GHG emission reduction
CMA02	Regular in-house training program for energy saving and GHG emission reduction
CMA03	Encouraging <b>daily energy saving activities</b> in office (ex. turning off lights)
CMA04	Participating in training programs for energy saving and GHG emission reduction held by the government/local government
CMA05	<b>Short &amp; long-term targets</b> for energy savings and GHG emission reduction in place
CMA06	Conducting analysis on energy use and GHG emissions to identify potential areas for energy savings and emission reduction
CMA07	<b>Installing monitoring</b> equipment on energy consuming facilities
CMA08	Enhancing daily facility maintenance for energy saving and GHG emission reduction
CMA09	Setting up an <b>internal standard</b> for energy savings and GHG emission reduction management
CMA10	Establishing <b>a unit or department</b> for emission trading
CMA11	Purchase <b>new production facilities</b> to save energy and reduce GHG emissions
CMA12	<b>Investing in R&amp;D to improve production processes</b> for energy savings and emission reduction
CMA13	Enhancing optimization in transporting materials and goods
CMA14	Making adjustments in energy mix to use <b>more clean energy sources</b>
CMA15	Releasing <b>sustainability reports</b> regularly that contain data for energy consumption and GHG emissions
CMA16	Set up a <b>strategic carbon management</b> (plan-do-check-act)
CMA17	Setting up a plan and allocating budget for purchasing permits and trading
CMA18	Establishing decision making process in relation to carbon trading (e.g., purchase, sell, price projection, etc.)
CMA19	Establishing carbon management strategy based on <b>regular analysis of carbon market</b>
CMA20	Adopting a green or <b>carbon management accounting system</b>

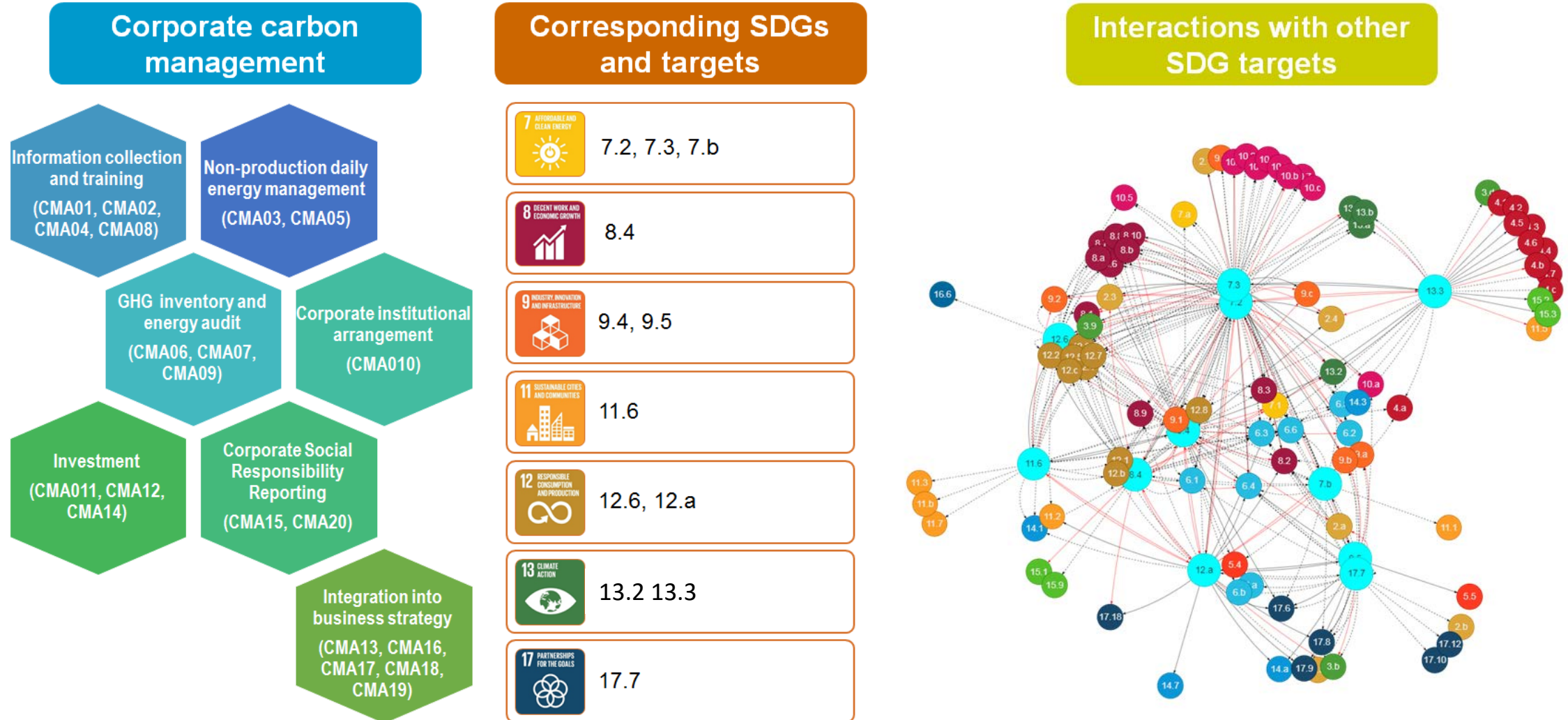
## (2) Relevant SDGs to corporate carbon management



- 7.2 Increase renewable energy
- 7.3 Double energy efficiency
- 7.b Expand energy infrastructure
- 8.4 Improve resource efficiency
- 9.4 Resource-efficient and clean technology-based industrial retrofit
- 9.5 Enhance R&D for industrial sectors
- 11.6 Reduce urban environmental impacts
- 12.6 Promote social and environmental reporting by companies
- 12.a Support R&D capacity of developing countries for SCP
- 13.2 Integrate climate change measures into national policies
- 13.3 Raise awareness on mitigation and adaptation
- 17.7 Promote environmental technology transfer to developing countries

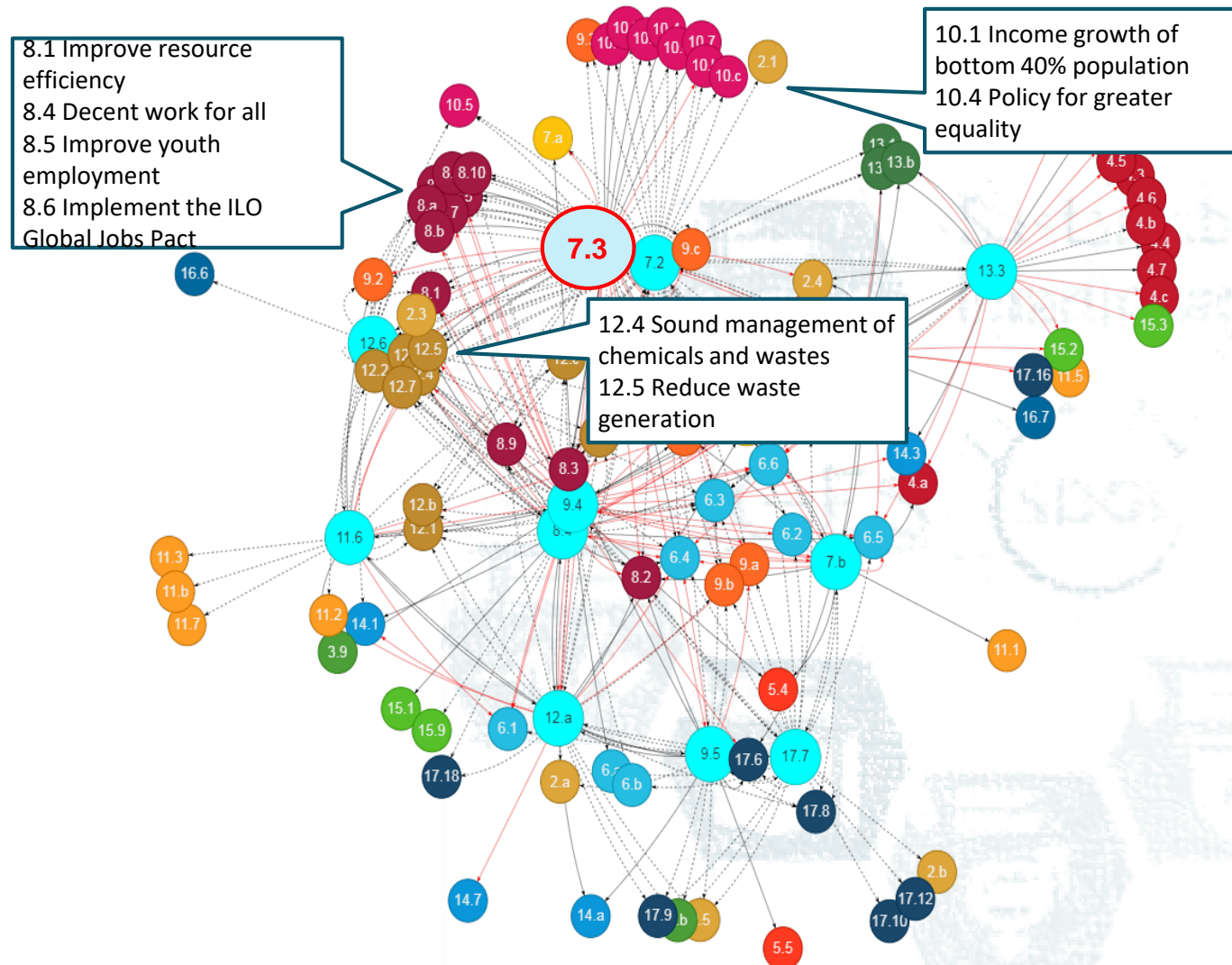


## 4. SDGs interlinkage analysis: analytical framework





# 5. SDGs interlinkage analysis results: (1) Japan



## Synergistic with Target 7.3

6.4	6.6	8.1	8.4	8.5
8.6	8.b	9.1	9.c	10.1
10.4	12.4	12.5		

## Conflicting with Target 7.3

2.3	2.4	8.2	9.2	12.3
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## Legend

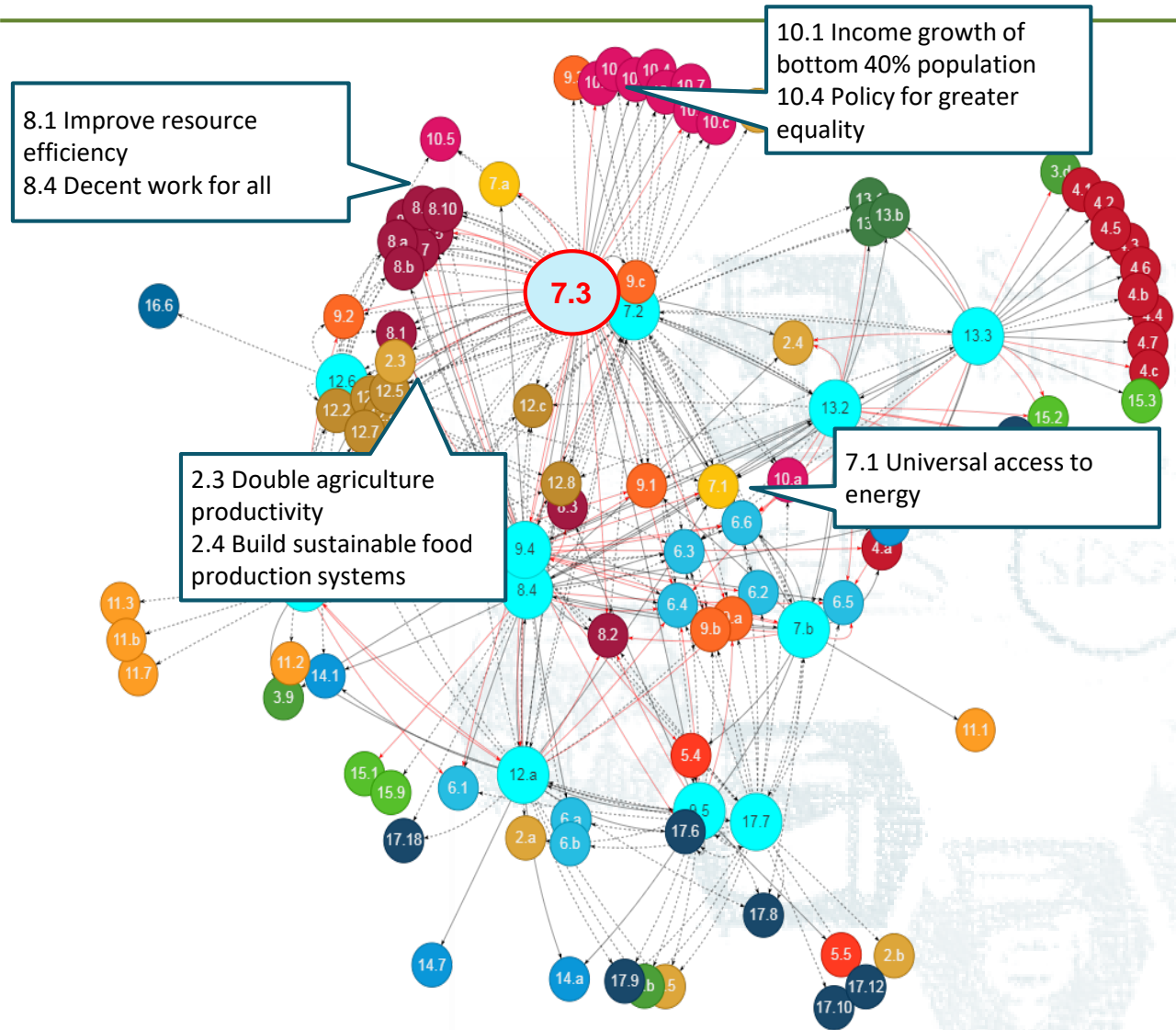
Strong +ve	Strong -ve
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Source: Snapshot from IGES SDGs Interlinkages Web Tool

# Interlinkage between relevant Targets and other SDGs in Japan

	SDG 1: Eradicate poverty	SDG 2: End Hunger	SDG 3: Good health & well-being	Goal 4: Quality education	Goal 5: Gender equality	Goal 6: Clean water & sanitation	Goal 7: Affordable & clean energy	Goal 8: Decent work & economic growth	Goal 9: Industry, innovation & infrastructure	Goal 10: Reduced inequalities	Goal 11: Sustainable cities & communities	Goal 12: Responsible consumption & production	Goal 13: Climate action	Goal 14: Life below water	Goal 15: Life on land	Goal 16: Peace, Justice & strong institutions	Goal 17: Partnerships for the goals
7.3		2.3, 2.4				6.4, 6.6		8.1, 8.4, 8.5, 8.6, 8.b 8.2	9.1, 9.c 9.2	10.1, 10.4		12.4, 12.5 12.3					
7.b				4.a	5.4	6.4, 6.5	7.1	8.2	9.1		11.1						
8.4		2.3, 2.4				6.4, 6.5, 6.6		8.1				12.4, 12.5 12.3		14.1	15.1		
9.4			3.9								11.6		13.2				
9.5												12.a		14.a			17.6
11.6			3.9			6.1, 6.6			9.2, 9.4 9.1			12.3 12.5					
12.a									9.5					14.a			17.6
13.2									9.4				13.3, 13.a, 13.b	14.3		16.7	
13.3				4.1, 4.4, 4.7									13.2, 13.a, 13.b	14.3			

# 5. SDGs interlinkage analysis results: (2) China



## Synergistic with Target 7.3

2.3	2.4	6.6	7.1	8.1
8.4	9.1	9.5	9.c	10.2
10.3	10.4	10.7	12.4	12.5
12.a				

## Conflicting with Target 7.3

6.4	7.a	8.2	8.5	8.6
8.b	9.2	9.4	9.a	10.b
12.3				

## Legend

Strong +ve	Strong -ve
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# Interlinkage between relevant Targets and other SDGs in China

	SDG 1: Eradicate poverty	SDG 2: End Hunger	SDG 3: Good health & well-being	Goal 4: Quality education	Goal 5: Gender equality	Goal 6: Clean water & sanitation	Goal 7: Affordable & clean energy	Goal 8: Decent work & economic growth	Goal 9: Industry, innovation & infrastructure	Goal 10: Reduced inequalities	Goal 11: Sustainable cities & communities	Goal 12: Responsible consumption & production	Goal 13: Climate action	Goal 14: Life below water	Goal 15: Life on land	Goal 16: Peace, Justice & strong institutions	Goal 17: Partnerships for the goals
7.3		2.3, 2.4				6.6, 6.4	7.1, 7.a	8.1, 8.4, 8.2, 8.5, 8.6, 8.b	9.1, 9.5, 9.c, 9.2, 9.4, 9.a	10.2, 10.3, 10.4, 10.7, 10.b		12.4, 12.5, 12.a, 12.3					
7.b				4.a	5.4	6.6, 6.4, 6.5	7.1, 7.3	8.4, 8.2	9.1, 9.4		11.1						17.6
8.4		2.3, 2.4				6.1, 6.6, 6.4, 6.5	7.1, 7.b	8.1	9.4			12.4, 12.5, 12.3		14.1	15.1		
9.4			3.9	4.a	5.4	6.4, 6.5, 6.1, 6.2, 6.a, 6.6	7.a, 7.1, 7.3, 7.b	8.2, 8.5, 8.6, 8.b, 8.1, 8.4	9.1, 9.c			12.4, 12.5, 12.a					17.6
9.5						6.4			9.a			12.a		14.a			17.6
11.6			3.9			6.1, 6.6			9.4, 9.1			12.3, 12.4, 12.5, 12.a					
12.a						6.4	7.1	8.4	9.5, 9.4, 9.a		11.2, 11.6			14.1, 14.7, 14.a			17.6
13.2						6.4, 6.5			9.1				13.3, 13.a, 13.b	14.3			
13.3				4.1, 4.2, 4.3, 4.4, 4.5, 4.7, 4.a		6.5							13.2, 13.a, 13.b	14.3			

6.4 Increase water-use efficiency

7.1 Universal access to energy

9.4 Resource-efficient and clean technology-based industrial retrofit



## 6. Policy recommendations

- (1) This study employed SDG interlinkage tool for **sectoral specific analysis** and the results shows that SDGs associated with company carbon management interplay strongly and beneficially with others SDGs, which provides policy implications for government and business potential for corporate.
- (2) In Japan, beside Goal 13 (climate action), **strengthened policy of carbon pricing and corresponding corporate carbon strategies** are strongly positively related the Goal 8 (decent work and economic growth) as well as Goal 9 (industry innovation and infrastructure).
- (3) Corporate carbon engagement in China exhibits some characteristics that differ from those of Japan, specifically in improvements in agricultural productivity and food production systems (Target 2.3 and 2.4), enhancement of universal access to safe drinking water (Target 6.1) and international cooperation on water-and sanitation (Target 6.a), upgraded social, economic and political inclusion of all (Target 10.2) through education and job opportunities (Target 4.3 and 4.4) and equality (Target 10.3) were remarkable, meaning **the SDGs associated with the activities of corporate carbon strategies are intermixed with social development. Energy service expansion comes together energy efficiency improvement that may generate potential of business and employment.**
- (4) How policy on climate change is implemented greatly affects institutional awareness, capacity and technology adoption in industrial processes. Encouraging the private sector to take part in carbon management strategies that go beyond conventional standards and norms will require the government to provide ongoing policy support to improve market functionality of carbon pricing and effectiveness.

# Thank you very much.

