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Press Release

## Launch of SDGs Progress Report 2022

### Survey Results on the Efforts of Global Compact Network Japan Companies and Organisations

How can companies and organisations contribute to delivering the essential transformations required to achieve the SDGs? The Institute for Global Environmental Strategies (IGES) and the Global Compact Network Japan (GCNJ) launched their annual report, "SDGs Progress Report 2022 Survey Results on the Efforts of GCNJ Companies and Organisations", to shed light on this question.

This report focuses on SDGs 5 (gender equality), 8 (decent work and economic growth), 12 (responsible consumption and production), 13 (climate action) and 16 (peace, justice and strong institutions), evaluating the progress being made by Japanese businesses and what the future holds on achieving these goals. In addition to the five focal goals, the report also considers the importance of other SDGs and the overarching, cross-cutting issues that serve as both challenges and opportunities for SDG implementation.

#### Highlights of the SDGs Progress Report 2022

**Awareness and penetration of the SDGs:** Middle management and employees' low awareness of the SDGs has long been an issue in Japan. In the newest survey, this has improved by nearly 40%, reaching approximately 80%. The SDGs are finally being recognised and understood internally within companies and organisations.

#### Gender Equality:

"Gender Equality" in the SDGs requires the elimination of gender discrimination as it is structured in society and the economy, and the reform of systems and awareness based on gender roles.

The survey found systems and information disclosure are being established in compliance with domestic laws and regulations, such as the "Act on the Promotion of Female Participation and Career Advancement". To bring fundamental changes to Japan, shifting gears from "female participation and career advancement" to the "promotion of gender equality" will ensure globally accepted and highly effective activities. Moreover, this is also effective as a foundation for female participation and advancement as well as diversity and inclusion (D&I).

#### Decent Work and Human Rights:

Ninety percent of the member companies and organisations have made efforts to address the policies,



commitments and remedies indicated in the "Guiding Principles on Business and Human Rights (UNGPs)". However, only about 75% of members are engaged in due diligence for human rights. Overall, there is weak recognition that the issue of human rights is not only for workers but also for consumers and local communities, so there is an urgent need to address the implementation and review of specific items indicated in the Guiding Principles.

### **Circular Economy:**

Many companies collect used containers and products through collaboration between manufacturers and retailers, and then recycle them in partnership with recyclers, switching containers and packaging to recycled materials and resources. Companies may drive changes by establishing further recycling systems and new business models that go beyond the 3Rs, including changes in consumption patterns, such as sharing and product servicing.

### **Climate Change:**

About 70% of member companies and organisations have set net-zero targets for 2050, and about 80% have identified Scope 1 and Scope 2 greenhouse gas emissions. More than half have identified and integrated climate change risks and opportunities into their strategies and plans, and are responding to the trend for more climate change-related disclosure. Further support is required to reduce decarbonisation costs and address technical challenges.

### **Preventing Corruption:**

Anti-corruption efforts have gone beyond documented measures, and have reached organisational measures such as employing internal reporting system or disciplinary procedures for violators. On the other hand, areas which are still lagging behind include conducting interviews with employees in both domestic and overseas groups, due diligence, and educational training for suppliers and third parties. Companies should reinforce risk assessment and management systems by third parties.

### **Status of Actions on Materiality other than the five SDG goals:**

Other than the five focal SDGs, the goals positioned under materiality that had the most common examples of efforts with specific numerical targets included SDGs 3, 7, 9 and 11. For companies to continuously work on achieving particular SDGs, and for their efforts to be understood and shared by internal and external stakeholders, companies must create and communicate a narrative that combines business sustainability and social challenges.

### **From a cross-sectional study, the following points are observed:**

- More than 80% of the member companies and organisations stated that they had integrated the SDGs into their management strategies. However, this is insufficient to achieve the SDGs. In particular, for SDGs 5 (gender Equality), 8 (decent work and human rights) and 16 (preventing corruption), challenges were found in basic progress. Businesses aiming to expand globally should review and improve their



efforts.

- As seen in “female participation and career advancement” and the 3Rs, initiatives by companies and organisations are strongly influenced by policies, laws and regulations. It is necessary to go beyond these, understand what needs to be done, and work on the SDGs.
- Something common to all five SDGs was the need to listen to stakeholders in the value chain/supply chain, gather data, strengthen strategies and approaches, and develop a structure to realise the goals.
- There is a significant difference in activities between large companies with global operations and small- and medium-sized companies and organisations. Companies and organisations should utilise their strengths depending on the environment and use government and NGO support accordingly. Companies must also cooperate and collaborate.

It is essential to shift gears in all sectors to move closer to achieving the SDGs, in light of the negative impact felt from the COVID-19 pandemic. The time is approaching when it is no longer enough to simply say, “we are contributing to the SDGs according to our standards”. Companies and organisations must align their organisational sustainability with social sustainability and in that way, make a genuine contribution to achieving the SDGs.

### Overview of the survey

Survey objectives	To analyse progress as well as challenges faced on current SDGs initiatives and penetration of the SDGs by member companies and organisations to enable them to contribute to the achievement of the SDGs in Japan. To help GCNJ member companies and organisations measure their progress and promote activities on the SDGs.
Schedule of the responses	4 October to 18 November 2021
Survey target and number of responses	Target: GCNJ member companies and organisations ... 437 members (as of 30 September 2021) Responses: 223 members (51% of target) *See p. 68 for a list of responding members.
Survey method	Online
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### **About the Institute for Global Environmental Strategies (IGES)**

The Institute for Global Environmental Strategies (IGES) is a collaborative research and outreach organisation working to accelerate the transition to a sustainable, resilient, shared, and inclusive Asia-Pacific region, both across borders and within the world at large. Our strategic research and operations are defined by a mission-- to drive action on the world's most critical environmental and social challenges through the delivery of trusted expertise on sustainable development and resilience. IGES operates as an agent of change. Together with key international organisations, governments, academic institutes, business and civil society leaders we seek to foster a world where planetary boundaries are fully respected, a green economy is flexibly implemented, and the well-being of people is steadily improved. In so doing we emphasise workable and inspired approaches to cross-cutting global development issues ranging from climate change, natural resources and ecosystems management, and sustainable consumption and production, among many others. The Institute— established in 1998 with support from the Japanese government and Kanagawa Prefecture— maintains its international headquarters in Hayama, Japan. With offices and local centres in Tokyo, Kansai, Kitakyushu, Beijing, Bangkok, and New Delhi, IGES supports a regional and global network for ground breaking sustainable development research and practice.

### **ABOUT GLOBAL COMPACT NETWORK JAPAN**

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Its ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 15,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world. For more information, follow @globalcompact on social media and visit its website at [unglobalcompact.org](https://unglobalcompact.org)

Established in December 2003, Global Compact Network Japan (GCNJ) is UN Global Compact's local network in Japan. GCNJ works with its 501 member companies and partner organizations (as of July 2022) toward collective impact and the achievement of the Sustainable Development Goals. For more information, visit its website at [ungcjin.org](https://ungcjin.org)