

Report on the Challenges of Promoting CSR in the Coming Years following the COVID-19 Pandemic

Executive Summary

CONTENTS

Introduction iii

- (1) Eminent Traits of COVID-19
- (2) COVID-19 and its Impact on Corporate Social Responsibility (CSR)
- (3) Design of the Survey

Chapter 1: Impact on Corporations of COVID-19 v

- (1) Impact on Industries of the COVID-19 Pandemic
- (2) Changes in Corporate Actions

Chapter 2: Impact on the Society and Stakeholders from COVID-19 vi

- (1) Impact on Mega-trends
- (2) Impact on Sustainable Development Goals (SDGs)
- (3) Impact on Human Rights and Labor
- (4) Impact on Natural Environments
- (5) Impact on Investors
- (6) Impact on Inhabitants

Chapter 3: Direct Impact of COVID-19 on Corporations and Related Actions . . . ix

- (1) Impact and Reactions regarding CSR Objectives
 - a) Employment Relations
 - b) Human Rights and Supply-Chains
 - c) Natural Environment
 - d) Communities and Contribution for Societies
 - e) Other Issues
- (2) Impact and Reactions on Corporate Management and Businesses
 - a) Overall Policies on Management and Businesses
 - b) Business Continuity Programs (BCP) and Risk Management
 - c) Disclosure of Information and Communication with Stakeholders

Introduction

(1) Eminent Traits of COVID-19

The Coronavirus disease 2019 (COVID-19) inflicted an explosive pandemic on the globe in 2020, which caused severe impacts on global society. COVID-19 has the following eminent traits, which are;

- ✓ Brought about a worldwide pandemic
- ✓ Occurred abruptly, and inflicted a lasting impact for a long period,
- ✓ Generated changes forcefully during a short period of time in the ways people move and in the sense of values they have, which typically may take more than several years,
- ✓ And furthermore, had more severe impact on the socially vulnerable, as impacts are not equal among varied communities and sectors.

(2) Impact of COVID-19 on Corporate Social Responsibility (CSR)

COVID-19 was a widespread shock to the social and economic system that constitutes the base of corporate activities. It urged corporations to take various appropriate measures for CSR objectives, or to reconsider the relationship with stakeholders, and in addition, to reexamine the process to maintain a sustainable society and corporations.

The three elements of the impact on sustainability of society and corporations are as follows:

➤ Impact I: Direct Impact of Pandemic

Broad suspension of human transportation caused impact worldwide for all stakeholders, i.e. employees, customers, supply-chains, investors or local communities. The abrupt impact urged corporations to conduct researches on the situation of stakeholders as well as to take action for them in a timely manner.

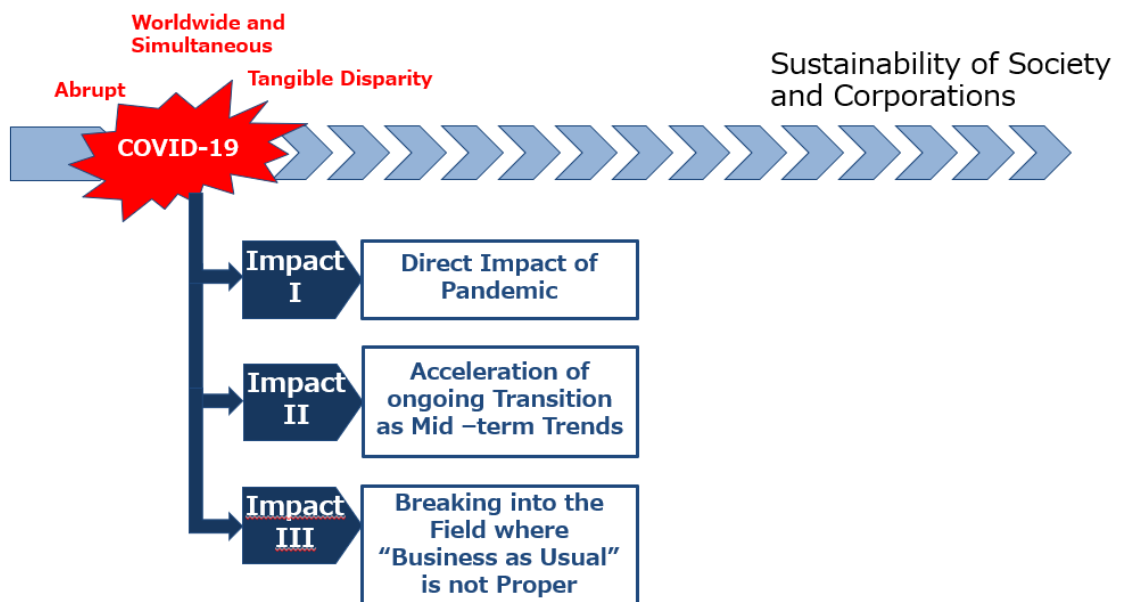
➤ Impact II: Acceleration of Ongoing Transition as Mid-term Trends

Changes derived from COVID-19 are not just temporary. For example,

once the current wave of digitalization takes hold in the business world, all the practices and customs will no longer, it seems, return to their former states. This may cause a decrease in employment as there is an overabundance of certain human resources for the existing jobs under the latest situation.

- Impact III: Breaking into the Field where “Business as Usual” is not Proper
 COVID-19 generated fundamental changes in the ways people move and in the sense of values they have, which immediately created the field where “Business as Usual” is not proper any more. Corporations are encouraged to take necessary actions by understanding the development of the field where “Business as Usual” is not proper as a potential business opportunity, with the approach of the back-casting method. Events that bring the same level of impact to society are expected to occur in the future, such as a pandemic similar to COVID-19, climate change, or a mega earthquake.

Chart 1 : Impact of COVID-19 on Sustainability of Society and Corporations



(3) Design of the Survey

The major target of this survey is to put together direct impact on the objectives of CSR from the COVID-19 pandemic and on the pursuant activities of corporations, concerning Impact I, “Direct Impact of Pandemic.” In addition, to induce necessary suggestions for corporations from the survey is another goal, with which to create sustainable values and to reinforce resilient capabilities in business management, concerning Impact II, “Acceleration of Ongoing Transition as Mid-term Trends,” and Impact III, “Breaking into the Field where “Business as Usual” is not Proper.”

The main research method is to interview major Japanese corporations that are undertaking CSR or ESG objectives progressively. This may enable us to ascertain a fair image and to understand underlying concepts of the corporate actions, keeping in mind that impacts and related reactions of COVID-19 are derived from a complicated series of processes and causalities and that they are transforming or being devised day by day. Other open information is also taken into consideration where necessary.

Chapter 1: Impact on Corporations of COVID-19

(1) Impact on Industries of the COVID-19 Pandemic

- It is an eminent trait of COVID-19 that impact on industries is widely varied by industry sectors or by business types.
- Suspension of human movement or transportation brought severe damage especially to such businesses as accommodation, restaurant, entertainment, transport services and so on.
- Temporary workers for businesses whose major share of the employees are part-time workers, such as accommodation or restaurant businesses, faced an unstable burden of work as a consequence of the sluggish business climate.
- On the other hand, businesses in information services, related appliances, digital contents, etc. had a growing market from the prevailing “Digital Transformation” or from increased demand for the current stay-at-home

lifestyles.

(2) Changes in Corporate Actions

- COVID-19 urged society and business communities to act in non-face-to-face or in contactless ways, and accelerated remote and online business transactions, the digitalized economy, and non-human receptions or automation.
- In whole and retail sales and logistics industries, e-commerce transactions, drive-through services, and cashless payment systems became more prevalent, and indirect services with the use of robotics were introduced in many cases. In manufacturing industries, digitalized and manpower-saving processes gathered increased momentum with innovation in AI and robot technologies.
- Break-ups in supply chains due to the worldwide pandemic of COVID-19 necessitated many businesses to cope with the confused situation. Rapid increase or decrease in demands or unclear outlook in the coming future caused uncertainty in maintaining businesses or in keeping employment.
- The magnitude of financial impacts of corporate activities to deal with social objectives was made clearly visible, which provided fresh opportunities for those charged with business management to renew their understanding of the cruciality of social objectives.

Chapter 2: Impact on the Society and Stakeholders from COVID-19

(1) Impact on Mega-trends

- The Global Risks Report by “World Economic Forum” in January 2021 shows the global risk landscape with rankings of “Top Risks by Likelihood” and “Top Risks by Impact” in the coming ten years. Infectious Diseases rank #4 of the former rankings and in top of the latter rankings. Regarding other elements besides infectious diseases, environmental issues cover half of the both top ten rankings, such as “Extreme weather,” or “Climate action failure.”
- The report of “World Business Council for Sustainable Development (WBCSD)” explains that impacts on Megatrends by COVID-19 exist in the following points, such as higher levels of inequality within and between societies, more weakness

in international collaboration together with intense nationalism, higher vulnerability in the risks of cyberattack and in the risk of privacy due to strengthened observation systems in the world of digitalization, and the possible decrease in the rate of urbanization as higher infection risk makes the areas less attractive to live and work in.

(2) Impact on Sustainable Development Goals (SDGs)

- “The SDGs Report 2020” by the United Nations looks at some of the devastating initial impacts of COVID-19 on specific goals and targets, but also says the pandemic abruptly disrupted achievements towards many of the SDGs and, in some cases, turned back decades of progress, including the areas of poverty, education, health systems, and welfare services.

(3) Impact on Human Rights and Labor

- The International Labour Organization (ILO) made public a guideline, “Safe return to work: Guide for employers on COVID-19 prevention.” The publication aims to provide general guidance and information to employers on how to prevent the spread of COVID-19 in the workplace, to enable workers to return to work safely while keeping the risk of contamination as low as possible.
- “Lawyers’ Network for Business and Human Rights” put together a report of recommendations for Japanese corporations to foster responsible activities in securing workers’ human rights, including:
 - ✓ To evaluate the effects on workers in the supply-chains and to disclose the results.
 - ✓ To provide special support to the socially vulnerable, especially immigrant workers.
 - ✓ To search for measures to mitigate the effects through communicating with workers or suppliers as much as possible.
 - ✓ To facilitate grievance settling procedures through ensuring access to the processes by related workers.

(4) Impact on Natural Environments

- Regarding the up-to-date topic of climate change, it is necessary to eliminate an essential level of Green House Gas emissions in the world as a whole with the mind to accomplish the 1.5 degrees Celsius target of the Paris Agreement. In 2020, the amount of global CO₂ emissions is estimated to decrease by 7% compared to the previous year. However, more than ever intensified efforts are required because it is assessed that the amount of emissions would rebound after the pandemic situation returns to normal.
- The campaign of “Green Recovery” is making progress especially in Europe, which aims for both an economic recovery and a transition to a decarbonized society. Many countries are fiercely competing with each other to establish a carbon-neutral social system. More and more international corporations are adopting standard measures of decarbonization of SBT or RE100.
- Regarding management of natural resources, policies for “Circular Economy” are being implemented in Europe as more plastic packages are used and wasted. Guidance of Information Disclosure was made public in Japan for investors or those charged with business management.
- The Secretariat of the Convention on Biological Diversity published a report, “Global Biodiversity Outlook 5 (GBO-5)” that promotes the inclusive “One Health” approach that aims to build the health and resilience of all people and the planet as a whole.

(5) Impact on Investors

- ISS ESG, a responsible investment arm of the Institutional Shareholder Service (ISS) group of companies published a survey report to gauge the extent to which COVID-19 has impacted asset managers’ consideration of ESG. It said that more than 60% of respondents report that they consider social factors to be more important than before the pandemic, and that about 60% of respondents report that a budget increase of some amount is likely.
- Several other research reports said that the rate of decline in share prices of companies that perform better in ESG indicators was smaller than others during the first wave of the pandemic spread.
- In addition, Green Bonds seems to be less volatile regardless of the ratings,

while spreads among various bonds became wider in general throughout the COVID-19 pandemic.

- The noted letter by BlackRock CEO in 2021 appealed to client CEOs about the global threat of climate change more evidently, and it referred to protests for racial justice in the United States and around the world.

(6) Impact on Inhabitants

- Many people around the world have now become more positive-minded in changing their own behaviors to have more healthy life, to be friendly to the environment, and to be kind to their neighbors. This direction is more notable among younger generations like Generation Z or the Millennial generation.
- Research in Japan also reports that many people have come to regard social issues as to be connected to their own lives, and to embrace more interest in sustainability.

Chapter 3: Direct Impact of COVID-19 on Corporations and Related Actions

The interview survey to corporations was implemented to evaluate the direct impact on Japanese corporations of the COVID-19 pandemic as well as related corporate actions to the situation. The target of the survey was 16 large corporations that have long been involved in CSR or ESG issues progressively. In addition, a literature survey was also conducted for 4 foreign corporations that have performed distinguished undertakings.

Major outcomes of the survey were summarized in the three viewpoints of (1) “Impact and Reactions regarding CSR Objectives,” (2) “Impact and Reactions on Corporate Management and Businesses” and (3) “Impact and Reactions on Partnership among Corporations,” together with obtained suggestions in (4) “Suggestions from Direct Impact of COVID-19 on Corporations and Related Reactions.”

(1) Impact and Reactions regarding CSR Objectives

a) Employment Relations

- Corporations were urged to make further progress on their ongoing attempt to reform the existing employment system as the impact of COVID-19 pandemic spread extensively.
- Top management of many corporations issued messages to the employees that emphasized that the prime concern at the time was to arrange circumstances for workers to perform their jobs safely and with ease.
- Most of the workplaces introduced basic hygiene control systems and took measures to avoid densely gathered situations. In some cases, the headquarters office set a manual of related measures to disseminate to the whole group or to all global operations.
- Regarding remote working systems, those corporations that had already introduced related information systems and practical procedures beforehand in line with their employment system reform program, achieved rather smooth transitions to its wider use. In some cases where implementation was not appropriate, special considerations were paid to limit the office working hours to minimum levels or to deliver a unique message to those who had to attend their workplaces.
- As advantages of remote working, it was found that a reduction of time for commuting or transportation for appointments brought advances in productivity, and that communication between management and workplace employees became more fruitful on an online basis.
- Some negative side effects were also noted, such as that members within a workplace team lost opportunities to have active communication, that the system for remote working was not sufficient for full member usage, or that not all of the employees had sufficient workspace at home. It was reported that a corporation conducted periodical research on its employees to find any hurdles of remote working and to deal with them.
- Several corporations said that they revised their working environment at the time of the pandemic to match the renewed employment system and business models. These methods were to clarify needed output, to allow flexibility in working hours and places, to encourage job motivation by establishing clear company missions, or to introduce evaluation criteria based mainly on individual performances.

b) Human Rights and Supply-Chains

- Corporations reacted to the supply shock of break-ups in the supply-chains respectively. The approaches for it include sourcing from additional companies, dividing production activities in dispersed locations, or piling up extra inventories. One company reported that it could go through efficient processes to deal with the supply shock based on the procedures established following its experience of a similar disaster.
- Supplier surveillance processes were implemented by remote procedures in some cases by using IT equipment to support human check by sight, or by making use of pictures from artificial satellites. Some companies said they expect their prior efforts to introduce CSR procurement procedures, to develop due diligence processes for human rights, or to establish grievance mechanisms and so on would work effectively in this period of emergency to reinforce their governance framework, or to accumulate relevant information of and to communicate to supply-chains.
- Many corporations took exceptional measures to support their suppliers that had been damaged by sudden decrease or disappearance of demand by way of disclosing minute purchase plans and production schedules, reduction or rescheduling of payments, financial support for suppliers, or lending of their own assets to suppliers for free. A remarkable case was to empower workers for the supply-chains by contributing to the development of brand new human resources or in enlarging job opportunities with the view to create fresh opportunities for the company in the long run in the sector.

c) Natural Environment

- All of the interviewees said they were making efforts and showed their will for continues progress in tackling environment issues even in the middle of the COVID-19 pandemic. Some corporations explained that their actions, such as examining the results of implemented measures, utilizing the effective processes extensively, or developing positive impact through taking advantage of new technology, are devised as practical measures to improve current temporary reductions of the environmental burden with a view toward a long-lasting normal condition.

- Under the situation that the developing wave of “Green Recovery” in Europe is now coming to influence Japanese firms through global supply-chains, a view of concern was raised that some of them might be left behind in introducing appropriate measures.
- A new concept of “Regenerative” is now attracting high attention among companies in the world in promoting sustainable development, and some of them have come to disclose long-term commitments for it.

d) Communities and Contribution for Societies

- When supplies of hygiene products were short in the early stages of the pandemic, companies in those fields expanded their production as much as possible, and some other companies that deal with different products started manufacturing the needed products at their factories. Many other positive reactions were heard regarding various new social needs. A corporation initiated philanthropic undertakings by supplying their existing goods or services, or another started providing their assets for free for those objectives.
- While many corporations had already promoted philanthropic programs, some of them continued and improved those activities in the time of varied restrictions by limiting the scale with detailed caution in preventing infections, or by changing face-to-face operations to those that use online devices with a larger number of participants.
- Considering that the Black Lives Matter movement, which coincided with COVID-19, made existing disparities and structural discrimination clearly visible in society, and that demand for constructing a fairer society became broadly shared throughout the world, some companies have initiated new support programs for it along with making their corporate position open to the public.

e) Other Issues

- While corporations are constructing their businesses in the social trend toward a digitalized world, some companies promoted support programs for some vulnerable people not to be left behind with concern for a potential digital divide. In addition, several corporations showed their programs in order to secure privacies under the digitalized world, such as to carry on the existing

programs for it, or to promote AI ethics programs further on.

(2) Impact and Reactions on Corporate Management and Businesses

a) Overall Policies on Management and Businesses

- While the magnitude of impact of COVID-19 on corporate management does vary by sector and field of business, most of the corporations had some effects on their financial situation as a result of social problems or related changes in society.
- Some corporations released revisions of their management plans for the medium- to long-term during the time of the pandemic to set the idea of sustainability in the center of the business projections or commitments. Some others showed stronger momentum or increased urgency for intensifying the ongoing projects for sustainability.
- Some industry sectors fell into severe situations on this occasion when the COVID-19 pandemic continued and became a part of ordinary life. Under these circumstances, new reactions were observed to make every effort to secure employment for existing employees for a post-COVID-19 recovery phase, and to publicize medium & long-term commitments for sustainability with the mind that they will become more valuable in the future.
- We heard multiple comments about the importance of the company's *raison d'être* (purpose) under emergency situations, that under the COVID-19 pandemic, companies were able to reaffirm the social value of their businesses, and that the discussions and internal penetration of the company's purpose up until that time contributed to prompt, smooth decisions of management and independent actions by employees..

b) Business Continuity Programs (BCP) and Risk Management

- Most of the interviewees responded that this pandemic exceeded their projections beforehand in its scale and speed, and also in the magnitude for social effects. At the same time, many of them replied they promptly started their top-level reaction including establishing an emergency task-force team

and performed smooth operations because their preparations beforehand to set up Business Continuity Programs (BCP) or risk management plans worked effectively.

- COVID-19's simultaneous spread throughout the world urged many corporate headquarters to entrust local countermeasures to local managements, while keeping in touch on necessary information. In addition, some corporations said they tried to share relevant information among their global operations, to discuss measures in need, and to consider to revise, if appropriate, their business strategy, by holding intensive meetings to explore better scenario plans with the mind to deal with potentially long-lingering effects of COVID-19.
- Some companies said they re-evaluated the importance of the Enterprise Risk Management (ERM) approach to survey the potential risk of the whole corporation in an integrated, comprehensive, and strategic manner in order to accomplish upgraded long-term risk management.

c) Disclosure of Information and Communication with Stakeholders

- As for examples of information disclosure to or communication with stakeholders, the following actions were raised. To deliver direct messages of top management to all the employees, to hold online meetings between management and employees, or to disclose updated information to stakeholders through owned medias. While most of the Investor Relation (IR) activities are performed through online meetings during the pandemic, many said discussions on ESG objectives and reactions have increased in volume.
- Some corporations made more positive efforts to communicate with stakeholders in order to ascertain transformations of the social situation and stakeholder needs.

(3) Impact and Reactions on Partnership among Corporations

- Several cooperative activities to tackle social objectives with business competitors were explained. Examples of them are to construct circulation systems of natural resources concerning plastic waste problems, or to exercise training programs or to implement public relation projects to prepare for large

scale natural disasters.

- Other cases of cross-section cooperation were heard. They include frameworks of support programs that were set up for a wide range of suppliers in trouble, or a special platform that was established to help foreign workers, as well as initiatives for a circulation economy that gathered more corporate members.

(4) Suggestions from Direct Impact of COVID-19 on Corporations and Related Reactions

Suggestions for the directions in the future are summarized in to the following 4 points based on the aforementioned direct impact of COVID-19 on corporations and related reaction from (1) to (3).

a) Constructing Risk Management System for Immediate Actions

- Establishing and maintaining a Business Continuity Program (BCP) is essential in risk management. In an abruptly occurring incident that exceeds prior assumptions, whether rules of first action are determined or not does alter the speed with which the first action is taken. When reacting to incidents that go beyond assumptions, the approach of the OODA loop is useful, which sets a higher priority on “Observation” and “Orientation” than the projected actions, and proceeds “Decision” and “Action.”
- Reorganizing in-house corporate rules to improve employment conditions, CSR procurement, due diligent practices for human rights and grievance mechanisms does surely contribute in performing prompt and seamless reactions in an incident like this pandemic.
- Furthermore, another new approach of Enterprise Risk Management (ERM) should function better after the experiences of this pandemic, in which management set priority grades for controlling activities through comparing every possible risk factor, and promoted efficient and effective measures with the cooperative participation of all the in-house sections and groups.

b) Understanding Stakeholders and Developing Corresponding Measures

- The value of corporate decisions and actions depend largely on whether a corporation has built a good relation of trust with stakeholders or not.

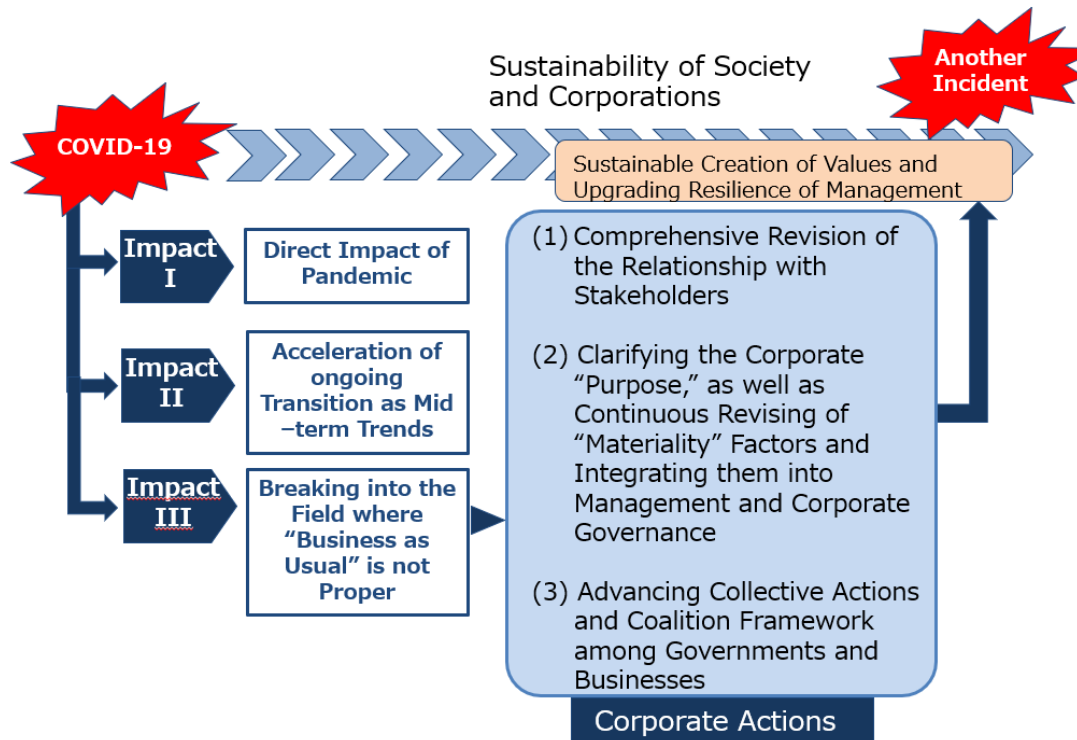
- In this context, regular practices to carry out basic elements of CSR is highly recommended, in which a corporation captures and understands the needs of stakeholders appropriately, reports them to top management and applies them into actual business activities.
- c) Careful Communication between Management and Employees and Considerable Disclosure of Information
- Especially during the period of disasters, it is a rational measure for top management to acquire fair trust from stakeholders by delivering messages both to in-house and outside members and communicating them with satisfactory explanations.
 - In addition, it is positively suggested that the top management engages in the roles to coordinate the interests and expectations of varied stakeholders.
- d) Integrating Environmental, Social and Governance (ESG) Targets in Management Systems based on Mega-trends
- Accelerating changes of the operations to adjust their businesses to the transition of society should require the reflection of the ESG objectives specified in line with the megatrend onto medium- to long-term plans or commitments.
 - As a practical example, transparent and skillful moves by the top management using the approach of back-casting, which explores clues for desirable directions both from ideal self-image and from fundamental social needs, should influence the perception of employees and provide further momentum for reform in the corporation.
 - Making further progress in adjusting themselves to medium- to long-term social transition should require appropriate preparations with sufficient time to arrange the operation structure and to construct pursuant working culture and climate. Encouraging that sort of preparation on a routine basis may also enhance the capability to react to an incident that may occur abruptly.

Chapter 4: The Next Stage CSR with the Experience of the COVID-19 Pandemic

- It is anticipated that another incident like COVID-19 will occur some day and shake up the sustainability of society and corporations, in the form of a mega-earthquake or severe climate change, for example. To deal with the possible consequences of such incidents, it is necessary to fundamentally reform society and the economy. During these processes, corporations are expected to lead the transition in the point both of sustainable value creation and of upgrading the resilience of businesses.
- It is induced from the interviews that corporations which have been involved in CSR or ESG objectives progressively beforehand and have established stable and solid relations with stakeholders realized flexible and timely reactions to the direct effects of COVID-19, and therefore showed a high degree of capability to deal with an emergent incident.
- Different kinds of favorable activities were also found. In one case, a corporation continued employment relations with existing employees based on the long-term relationship and invested in human resource development so as to restart its operation just after the convergence of COVID-19, even though business conditions had already become rather tough. In another case, an industry sector set up a cooperative framework to support small and medium-sized companies in the sector to survive together with their suppliers under the hard circumstances. These examples show the strong points of Japanese business culture.
- On the other hand, Japanese corporations will have the following new challenges when they encounter another risk incident of like magnitude.
 - 1) Additional measures may be needed that go beyond the existing framework of CSR or current relations with stakeholders.
 - 2) Overall consideration may be required on how to manage to balance the financial outcome and non-financial activities, or in other words, how to measure the value of non-financial activities and to arrange them into business practices.
 - 3) More swift reaction and further movements for collective actions may be encouraged to transform the ways of business management and strategy when they face another disaster
- COVID-19 provided an invaluable opportunity to upgrade the style of business

and CSR activities from the former practices, or to reorganize business management. Further explanation of the three points is shown below.

Chart 2 : Essential Elements for Sustainable Creation of Values and Upgrading Resilience of Management to Deal with another Incident



(1) Comprehensive Revision of the Relationship with Stakeholders

In reorganizing the relations with stakeholders, management should promote communication with them together with integrated works among in-house divisions and sectors. CSR divisions are expected to support respective divisions that relate by some means to each of the outside stakeholders, and to provide top management relevant information of the up-to-date situation, and to promote coordination among related divisions to achieve overall optimization.

a) Employees

- Several kinds of changes in the relation between corporations and employees are now going on in this digital age, such as a decrease of face-to-face discussion, trends to place more priority on work-life balance, more preference

for varied workstyles including multiple jobs, and the development of a more flexible job market.

- Corporations are asked to construct the best personnel system that suits the current condition of the employment system and labor market with sufficient consideration on the merit of stable society and employment.

b) Customers and Clients

- Responding to the expectations of customers and clients who are sustainability minded and have digital expertise will work to redirect companies' own business operations in line with the current trend of sustainability and digitalization.
- At the same time, special considerations to those who might be left behind from the digitalized society are recommended for corporations.

c) Supply-Chains

- It is essential in the viewpoint of protecting human rights in business activities that corporations support their business partners and related workers who do not have much bargaining power.
- Corporate actions to support suppliers in order to reform their business styles will possibly give itself some opportunities to find new trade partners or to create business ecosystem of new business fields.

d) Local Societies and Communities

- The contents of policies and future projects that a corporation has made public and will implement based on its purpose and sense of value does draw wide attention from local societies and communities considering the current situation that vulnerable groups of people suffer considerably from COVID-19 in local and rural communities.
- Playing a positive role in sustaining rural communities is important in these times when population shows some flow from metropolitan areas to rural areas.

e) Future Generations and Natural Environment

- Corporations are responsible for the outcomes of their businesses that appear in the future. Therefore, future generations should be taken into

consideration as important stakeholders for corporations, and activities for sustaining the global environment should be advanced.

- Considering serious and various measures for global climate change are increasingly being implemented in the world, Japanese corporations should take further steps especially on this issue both as a necessary condition for survival and for potential business opportunities.

f) Investors

- An important task of non-investor corporations is to disclose their business information that is integrated from financial and non-financial activities of the corporation, and to look for a better style of new value creation and better ways of profit distribution among stakeholders especially through continued discussion with investors and shareholders who challenge progressively for ESG investment or impact investment.
- Investors, at the same time, are expected to construct their investment plans so as to enforce sustainability of society and corporations and to establish long-term achievement in value creation through continued discussion with non-investor corporations.

(2) Clarifying the Corporate “Purpose,” as well as continuous Revising of “Materiality” factors and Integrating them into Management and Corporate Governance

- The first step for achieving the management style that integrates both financial and non-financial factors is to clarify, as its own “purpose,” the way to solve social issues of stakeholders and the sense of value on which to perform, and to establish the purpose-driven management style that is fully deduced from that purpose.
- In the task of establishing the corporate purpose, the process in which employees come to share empathy for it after putting together the purpose via intensive discussions among top management will work to create such a structure that can flexibly cope with changes in society and that generates self-directed actions to lead to the creation of shared value for society and corporations.
- It is recommended that materiality of management should not be fixed to the

original concept, but should be modified, if appropriate, based on the transition of long-term needs or on the short-term changes of society.

- When incorporating materialities into the governance mechanism, designated materialities should be broken down into Key Performance Indicators (KPI) and the indicators should be set as major reference factors for evaluating management itself and employee compensation. As the same time, materialities should not be regarded as factors just for reference, but should be understood to be an active guideline concept in exploring new business opportunities, especially when improving existing business models or increasing the number of like-motivated potential customers together with related stakeholders.

(3) Advancing Collective Actions and Constructing Coalition Framework among Governments and businesses

- Timely and immediate reaction with continued research for the right trend of social transition is essential in dealing with social issues that may adversely impact the sustainability of societies and corporations.
- Collective action, or corporate collaboration within an industry sector and among several sectors and further cooperative works with governments and NGOs, is definitely needed for effective impact for resolving social issues. It is also required to arrange an appropriate infrastructure for proper competition in business fields and collaboration in other fields by corporations, governments, and other entities.
- The scope of varied stakeholders and the degree of relation with each of them, the range of social issues to be discussed as materialities, and the time span under discussion in solving the issues, should not be fixed but be flexible enough to find clues for new alliances or cooperation that had not been well established based on wide perspectives with a long-term mindset.
- International frameworks are also important for resolving issues of which related areas are not confined to one country. The Japanese government, corporations, and industry associations are expected to take part and contribute in the process of rule-making for constructing and improving those international frameworks.

References:

(1) Corporations Interviewed (alphabetical order)

- Ajinomoto Co., Inc
- ANA HOLDING INC.
- Bridgestone Corporation
- Daiwa House Industry Co., Ltd
- FamilyMart Co., Ltd.
- FUJI OIL HOLDINGS INC.
- Fujitsu Limited
- Kao Corporation
- KDDI CORPORATION
- MARUI GROUP CO., LTD.
- Panasonic Corporation
- Sompo Holdings, Inc.
- Sony Corporation
- Toray Industries, Inc.
- Toyota Motor Corporation
- Yamato Holdings Co., Ltd.

(2) Corporations of which literature was used (alphabetical order)

- GlaxoSmithKline
- H & M
- Unilever
- Walmart

Outlines of CSR Forum of Japan

CSR Forum of Japan was established by Business Policy Forum, Japan in 2004, with support from the Ministry of Economy, Trade and Industry, so as to encourage efforts of Japanese companies for Corporate Social Responsibility (CSR).

Since then, the forum that consists of major Japanese companies, business organizations and NPOs in related fields, has been a unique CSR network in Japan that has worked to put together and disseminate survey reports every year in the following viewpoints:

- Providing relevant experiences, insights and the up-to-date information on CSR to companies.
- Studying the ways to enhance CSR policies and related businesses activities.
- Promoting communication and collaboration between companies and related organizations.

(Survey Reports from 2016 to 202)

2021

- Report on the Challenges of Promoting CSR in the Coming Years following the COVID-19 Pandemic

2020

- Encouraged actions to create “Value for Society” by corporations to achieve SDGs

2019

- Investigative Research on How “Business and Human Rights” Should BE for the New Era

2018

- Investigative Research Report on Ideal Non-financial Information Disclosure in the New Era

2017

- Investigative Research Report Concerning the Desirable State of Efforts and Partnerships with International Organizations, the Government, and the Industrial World Aimed at Resolving Social Issues (Such as the SDGs)

Member of CSR Forum of Japan

(the chair)

Tetsuyuki Kagaya Professor, Graduate School of Business Administration,
Hitotsubashi University

(the committee)

Youzou Nakao Sustainability (Social) Group, Sustainability Development
Dept., Ajinomoto Co., Inc.

Chikako Miyata Senior Vice President, Director of Corporate Sustainability,
ANA HOLDINGS INC.

Akihiro Inatsugi General Manager, Corporate Sustainability Department,
Global CEO Office, Bridgestone Corporation

Akiko Masuda Assistant Manager, CSR Team, ESG Management Group,
FUJI OIL HOLDINGS INC.

Nobuhide Aoyama Senior Director, Sustainability Unit, FUJITSU LIMITED

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