

Global Compact Network Japan Symposium 2022 Sustainable Businesses building a Sustainable Future

On Monday, November 21, 2022, Global Compact Network Japan Annual Symposium 2022 "Sustainable Businesses building a Sustainable Future: a dialogue between GCNJ sustainability leaders and Mr. Paul Polman" was held at the Tokyo Women's Plaza in Tokyo and online.

This year's symposium featured a panel discussion by global and Japanese sustainability leaders, with special guest Mr. Paul Polman, business leader, sustainability activist and co-author of *Net Positive*, Vice Chair of the UN Global Compact Board and former CEO of Unilever, on the essence of management necessary to realize a sustainable society. The diverse experiences and thoughts of the panelists provided a roadmap for the future of sustainability management.

Guest Keynote

Mr. Paul Polman, business leader, sustainability activist, Vice Chair of the UN Global Compact Board, and former CEO of Unilever, gave a guest lecture titled *Net Positive*, on how businesses need to go beyond zero impact on environment and society, and aim to positively impact, i.e. build companies which succeed by fixing the world's problems, rather than creating them, drawing from his recent co-authored book, also titled *Net Positive*.

Mr. Polman pointed out that the current situation of climate change, biodiversity loss, and widening inequality is a critical issue for the survival of humanity, and a problem that everyone must act in concert to solve, even if it is very difficult to do so. He noted that decarbonization of society will be an unprecedented challenge in terms of scale and speed, requiring transformation of all social systems, including food production and distribution, transportation, energy, etc. At the same time, he



Front row, from left: Mr. Yoshinori Isozaki President & CEO, Kirin Holdings Company, Limited, Mr. Paul Polman, Vice Chair of the UN Global Compact Board, and Mr. Shoei Yamana Chairman, KONIKA MINOLTA, INC. Back row, from left: Mr. Toshio Arima, Chairman of the Board, GCNJ and Ms. Sandra Wu, Wen-Hsiu, Member, UN Global Compact Board

said, we already know which way we need to move in, and it is a matter of leadership that makes us stand still and not move forward.

"If corporations, which are responsible for 65% of the world's economy, 80% of employment, and 95% of financial flows, do not act, we will not be able to limit the temperature rise to 1.5 degrees Celsius or less," said Mr. Polman, on his motivation behind co-authoring his book, *Net Positive*.

Mr. Polman explained the concept of a net positive company as one that profits from solving problems, not from creating them, and as example, noted that a company like Unilever should act with the recognition that it is responsible for all impacts derived from itself while producing food, whether intentional or unintentional, such as deforestation along the value chain, the cycle of poverty among small farmers, food loss, to increase in obesity. Noting that 40% of existing Japanese companies boast a history longer than 100 years, Mr. Polman called on Japanese companies, with their ethical business models and corporate philosophy cultivated over the years, to confront the challenges of global warming as a way of prospering with the community long-term.

In closing, Mr. Polman pointed out that the next generation of workers, the youth, are beginning to value purpose-driven in terms of consumer behavior and employment, and that contributing to social transformation is now the greatest business opportunity. He passionately shared his thoughts that greed, indifference, and self-centeredness are the real problems that need to be solved, and that leadership that pursues the common good and public interest is required. He concluded by expressing his hope that Global Compact Network Japan, as a group of net-positive companies, will contribute to achieving the scale and speed necessary for society as a whole to reach the desired future.

Part One

GCNJ's Chairman of the Board, Mr. Toshio Arima moderated a panel discussion titled *Sustainable corporate management best practices from Japan*. Mr. Yoshinori Isozaki President & CEO, Kirin Holdings Company, Limited, and Mr. Shoei Yamana Chairman, Konica Minolta, Inc. introduced the paths taken by their companies in implementing sustainability management.

Mr. Isozaki recounted how Kirin came to hold CSV at the core of its management following his personal experience during the Great East Japan Earthquake, which damaged their Sendai plant. As the plant's loss would have put the survival of the local packaging and can manufacturing companies in the value chain in jeopardy, Mr. Isozaki made a decision to reconstruct the plant, despite the enormous costs involved, and worked to persuade skeptics inside and outside the company; this led to Kirin's emphasis on CSV management, which aims to solve social issues and create economic value through business. The same values led Kirin to its current focus on health, and the development of its key product, *Lactococcus lactis* strain Plasma (LC-Plasma).

Mr. Yamana described how Konica Minolta watched its traditional markets for cameras and film shrink as digitization accelerated in the 2000s. The company was forced to



rethink its management policies and ask themselves "what is the purpose of our business?" and, as a result, shifted its focus to becoming a sustainable company by increasing the new value it brings into the world. Konica Minolta set itself a new value proposition, "B to B to P <Professionals> for P <People/Planet>," which looked beyond the B to B business, aimed to deliver job satisfaction to professionals outside the company, which would in turn lead to value added for the people receiving professional services, as well as the environment. "Value added to our direct customers create social and environmental value, they are all realized together. If we pursue only economic value, we will not be able to increase our value as a sustainable company" Mr. Yamana declared.

Part Two

The second panel discussion, titled *Sustainable corporate management for a sustainable society* was moderated by GCNJ Board member Sandra Wu, Wen-Hsiu, also member of the UN Global Compact Board and Chairperson and CEO of Kokusai Kogyo Co., Ltd., together with Mr. Paul Polman, Mr. Yoshinori Isozaki President & CEO, Kirin Holdings Company, Limited, and Mr. Shoei Yamana Chairman, Konica Minolta, Inc. as panelists, and the conversation focused on how to connect the hardships of the companies discussed in Part One to societal transformation.

The conversation between the heads of leading Japanese companies in sustainability and a global leader of sustainability began with a comment by Ms. Wu, who connected Mr. Polman's argument that businesses cannot afford to make careful progress and adjust direction, that it is time to accelerate the speed of implementation and focus on scaling up for impact, with results of a survey conducted by an American PR firm, where respondents thought businesses should no longer rely on governments to lead action on climate change and expected CEOs to take the lead, as well as UN Secretary General António Guterres's exhortation that CEOs also need to be actively involved in transforming the world beyond their own transformation, to note the increasing responsibility of businesses toward societal transformation. Mr. Isozaki, asked about Mr. Polman's guest keynote, noted that, while he always acted with conviction as a top executive, he sometimes felt uneasy because he had no supporters, and thus felt very encouraged by Mr. Polman's words. He stated his conviction of the importance to tackle the issues faced by people and planet without hesitation, for business survival. Mr. Yamana also expressed appreciation to Mr. Polman's speech, particularly the sentiment that the courage to continue to do what is right and good for society over the long term goes back to strong leadership.

Mr. Isozaki then asked Mr. Polman on how he dealt with doubters about his policies and the pursuit of short-term profits along the way to Unilever's success. Mr. Yamana also asked Mr. Polman on how Mr. Polman, as a top management, strike a balance between narrowing down the areas in which the companies can win, and selecting businesses to concentrate management resources, while at the same time inspiring employees to take on challenges and tolerating failure, and in response, Mr. Polman shared anecdotes during his tenure as CEO of Unilever. Mr. Polman memorably noted that not one person will have all the answers, nor can one person do what needs to be done alone, and that issues such as climate change, inequality, and ocean plastics are not problems to be solved by one country or one company, but by everyone, and that it is important for everyone to work together and not take on everything by themselves. The discussion was lively, with Mr. Isozaki sharing further anecdotes from his 10 years of efforts to promulgate CSV within his company and Mr. Yamana discussing the role and commitment of CEOs in transforming their companies.



This GCNJ Annual Symposium attracted a total of nearly 700 participants, including over 600 online participants to the livestream on the day of the event -- the largest number since GCNJ events went online -- plus a limited number of on-site participants. The event also received attention from various media. Analysis of the post-event questionnaire showed that participants were deeply impressed and highly satisfied with the content, in particular the passion and honest opinions expressed by top management of two leading Japanese companies and Mr. Polman, as well as the specific examples concerning sustainability management. Participants expressed strong agreement with Mr. Polman on the importance of collective action, and were inspired by the challenges and struggles, as well as the strong convictions, expressed by the two business leaders. In closing, we would like to once again thank all those involved in making this event a resounding success.