

# **Charter of Corporate Behavior**

<Provisional Translation>

**November 8, 2017**  
**Keidanren** (Japan Business Federation)



## **Revision of the Charter of Corporate Behavior Delivering on the SDGs through the Realization of Society 5.0**

Keidanren (Japan Business Federation) has always advocated that, to build an affluent and vibrant society led by the private sector under a fair and free market economy, corporations must behave with a strong sense of ethical values and responsibility and gain trust and rapport from the public. To this end, Keidanren established its Charter of Corporate Behavior in 1991, in which it has laid down the principles for responsible behavior by corporations.

In recent years, with the progress of globalization, cross-border economic activity is being conducted at a brisk pace, but on the other hand, anti-globalist and protectionist moves have arisen in reaction to the various changes that such activity has brought, and there is concern that such moves may pose a threat to the maintenance and growth of a free and open international economic order.

Meanwhile, in the international community, with the adoption of the Guiding Principles on Business and Human Rights (2011) and the Paris Agreement (2015), corporations are being urged to engage proactively in resolving social issues as members of society. Further, in 2015, the United Nations adopted the Sustainable Development Goals (SDGs) as internationally agreed goals for realizing a sustainable society, and the private sector is being called on to exercise creativity and innovation to deliver on those goals.

In light of these developments, Keidanren is aiming for the realization of Society 5.0<sup>1</sup>, a future society in which IoT, AI, robots, and other innovative technologies will be used to maximum effect for the optimization of individual lives and of society as a whole. In this future society, economic growth will become consistent with solutions to global and local challenges such as health and medical care, agriculture and food, the environment and climate change, energy, safety and disaster prevention, human and gender equality, and a society will be realized in which each and every individual can lead a comfortable life that is full of vitality. The creation of such a society is also in line with the principles of the SDGs of the United Nations.

To this end, Keidanren will revise its Charter of Corporate Behavior with the primary aim of proactively delivering on the SDGs through the realization of Society 5.0.

Member corporations should fully recognize that their development is founded on the realization of a sustainable society, and they should exercise their social responsibilities by creating new added value and generating employment that will be beneficial to society at large and by conducting their business in a manner that takes the environment, society, and governance (ESG) into consideration. Corporations should also encourage behavioral changes not only within their own corporations, but also in their group companies and supply chains, and, by fostering partnership and collaboration with a diverse range of organizations, act toward the realization of Society 5.0 and through that, deliver on the SDGs.

Member corporations pledge to comply with the spirit of the Charter of Corporate Behavior and implement the Charter on their own initiative.

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<sup>1</sup> The fifth and newest society in the history of human social development, following on from the hunter-gatherer society, agrarian society, industrial society, and information society.

# **Charter of Corporate Behavior**

## **- For the Realization of a Sustainable Society -**

Keidanren (Japan Business Federation)

Charter established: Sept. 14, 1991

5th Revision: Nov. 8, 2017

The role of a corporation is to take the lead in the realization of a sustainable society by creating added value that will benefit society and generating employment, through autonomous and responsible behavior, on the basis of fair and free competition. To this end, regardless of its location, a corporation is expected to comply with the letter and spirit of relevant laws and regulations and international rules and to fulfill their social responsibility with a strong sense of ethical values, by acting in line with the following ten principles.

(Sustainable economic growth and the resolution of social issues)

1. Develop and provide socially beneficial and safe goods and services through innovation, and strive for sustainable economic growth and the resolution of social issues.

(Fair business practices)

2. Engage in fair and free competition, appropriate transactions and responsible procurement. Also, maintain a sound relationship with political bodies and government agencies.

(Fair disclosure of information and constructive dialogue with stakeholders)

3. Disclose corporate information actively, effectively and fairly and engage in constructive dialogue with a wide range of stakeholders, with a purpose of enhancing corporate value.

(Respect for human rights)

4. Conduct business that respects the human rights of all persons.

(Relationships of trust with consumers and customers)

5. Provide consumers and customers with appropriate information about goods and services, communicate with them in good faith, and earn their satisfaction and trust.

(Reform of work practices and enhancement of workplace environments)

6. Realize work practices that will improve the capability of employees and that respect their diversity, character, and personality. Also, provide safe and healthy working environments.

(Engagement in environmental issues)

7. Proactively initiate measures in acknowledgment of environmental issues, the common challenges they pose to humanity and their importance to a corporation's operation and persistence.

(Involvement in community and contribution to its development)

8. Actively engage in community involvement activities and contribute to community development as a good corporate citizen.

(Thorough crisis management)

9. Conduct thorough and organized crisis management in the face of actions by antisocial forces, terrorism, cyber attacks, natural disasters and other crises that pose a threat to civil society and corporate activity.

(Role of top management and implementation of this Charter)

10. Top management shall recognize that it is their role to realize the spirit of this Charter, build effective governance systems for the conduct of business, and strive to raise awareness of the Charter's spirit within the corporation and the entire corporate group to achieve its full compliance. Top management should also encourage behavior based on the principles of this Charter within the corporation's supply chain. In the event that the corporation violates the spirit of this Charter and loses the trust of society, top management shall proactively take responsibility to respond to the situation, including resolving the problem, investigating the causes, and preventing the problem from recurring.

**Keidanren**  
Japan Business Federation

Keidanren supports the SDGs.

