

Third-party Opinion



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Professor Harada has served primarily on international beats for Nikkei, working as a special correspondent in both São Paulo and New York, where he has covered the United Nations as well as such topics as non-profit organizations, corporate social responsibility, and business strategy at the so-called base of the pyramid. He has been a recipient of the NSK Award (presented by the Japan Newspaper Publishers & Editors Association), and he was appointed as a professor at Meiji Gakuin University in 2010. He also serves as the editor in chief of the *Alterna Premium* newsletter, and in the past he has served on a social business-related committee at the Ministry of Economy, Trade and Industry and on a BoP-related committee at the Japan International Cooperation Agency. He is the director of the Social Business Network. His numerous published works include *Striving to Be a Good CSR Company* (published by Nikkei Inc.) and *Borderless CSR: Moving beyond the Boundaries of Companies and NPOs* (published by Dobunkan Shuppan Co., Ltd.).

Kikkoman is known for its efforts through various fine-grained support initiatives to create workplace environments where women can work for the long term. The company was the first in Japan to sign the United Nations Global Compact, and it was the first manufacturer to pledge its support for the Principles for Responsible Investment (PRI) in writing. I have a strong impression of Kikkoman as a star company in the arena of corporate social responsibility.

As I read the Corporate Citizenship Report 2011, it became clear to me that this approach is rooted in the company's traditional corporate philosophy of fulfilling corporate responsibilities as a public entity and contribute to society. A number of companies with long histories have approached their management with an awareness of corporate social responsibility that predates the introduction of the concept of Western-style CSR. I believe that Kikkoman is a prototypical example of this tradition. Such companies are often said to be prone to adopt an inward-looking focus. In that sense, the "Kikkoman Group Social Responsibility Chart" (on pages 7 and 8), which was newly adopted this year, caught my eye. The chart makes clear that Kikkoman considers social responsibility to involve more than just "responsible corporate activities"; rather, it is an intrinsic part of realizing healthy, rich lifestyles and coexisting with the global community. It is evident that Kikkoman's approach to CSR is on par with that of other leading companies on the global stage.

I have an image of soy sauce as being a Japanese seasoning, so when I saw the breakdown of Kikkoman's profit I was surprised. There are customers in more than 100 countries, and overseas sales account for 62% of profit. I recalled my time as an overseas special correspondent, when it was easier to ask for "Kikkoman" than "soy sauce." As I read the report, it became clear to me that Kikkoman globalized its operations long ago, and that its management has evolved in a manner that befits those operations. The company's global character is clear in its recycling-oriented approach to making soy sauce, its efforts to prevent global warming, and its human resources development initiatives.

I do have a request, and it centers on the fact that the

report does not include enough information in some areas. I would like to know more about the supply chain. Safety of ingredients lies at the heart of food safety, but I found that the report did not provide enough information about the issue of soybean procurement—in short, about use of genetically modified soybeans, a topic in which consumers have shown great interest. The report makes no mention of the subject at all, and there is only a small amount of space dedicated to information about the company's use of non-GMO soybeans on the company website. From an accountability standpoint, I would like to see Kikkoman set aside more space for this topic and disclose its policies. Additionally, since Kikkoman is a signatory of the Global Compact, I would like to see more information about how human rights, for example of women and children, are being protected in the supply chain.

Furthermore, I would love to see Kikkoman embrace global issues as areas in which it can take action in the future. The United Nations Millennium Development Goals (MDGs) consist of eight goals conceived to promote progress in developing nations. Behind the goal of a "rich and varied food-lifestyle" surely lies a sustainable world free of starvation and poverty. Today, there are large numbers of children who do not have enough to eat. I would like Kikkoman to become more actively involved with this issue. This is a great and abiding wish of mine.

Unfortunately, there was an incident in which a number of employees at Kikkoman Food Product's Takasago Factory were arrested or had papers detailing illegal behavior forwarded to the Public Prosecutor's Office for alleged gambling. I suspect that the problem involves only a small number of employees at the facility, but I sense that there is a need to review the company's internal compliance system to ensure that the pursuit of an employee-friendly work environment does not lead to a loss of discipline.