

# Introducing the Framework of Sustainable Navigation

Caux Round Table Japan



Nippon CSR Consortium

HRDDWS

**STEP A**  
Dialogue between companies and stakeholders

**STEP B**  
Identification of human rights issues by sector

HRDDWS : Human Rights Due Diligence Workshop

Materiality

**STEP C**  
Mapping relevant sustainability issues and business strategy

**STEP D**  
Inherent risk assessment

**STEP E**  
Risk management in major supplier

Sedex

Action

**STEP F**  
Mapping of existing activities

**STEP G**  
Dialogue with stakeholders, NGOs & experts

**STEP H**  
Determination of policy and action plan

**STEP I**  
Actions  
Activities, training, audit

Review

**STEP J**  
Review activities by the Executive Committee

Report

**STEP K**  
Endorsement



- Programme carried out by individual companies
- Programme supported by CRT Japan
- Package programme

Identify

Prioritize

Do

Check

Report

Reporting in accordance with globally recognized reporting standard e.g. GRI G4

Review

**STEP L**  
Reviewing the report



- a. Corporate participants are given lectures on potential negative human rights impacts by business operation from more than 10 members of NGOs/NPOs, academics and subject experts, to enhance their understanding of ‘in what value chain, whose human rights is potentially and actually violated’. The CSR experts also express their concerns.
- b. The participants of the workshop select one of services/products of own company, and analyze value chains related to the product/service and find out what regions/areas are involved in the value chains.
- c. The participants discuss about value chains potentially related to each of the human rights issues, in order to better understand relevance between the value chains and the human rights issues.
- d. The participants learn further about ‘what stakeholders are involved in the highlighted issues above’, as well as’ how to implement appropriate approach for Access to Remedy.’

**Example of past participant and supporters**

**NGO/NPOs**

Action against Child Exploitation (ACE), Amnesty International Japan, Change Fusion, CSO Network Japan, Lighthouse, Oxfam Japan etc.

**Company (sector)**

Automobile, Chemistry, Electric Equipment, Finance, Food, Information Equipment, Information Communication, Logistics, Textiles and Apparel, Retail, Trading, Think-tank, etc.

**Supporter:** Brain Center Inc. Cetus & General Press Inc. Toppan Printing Co., Ltd.

Value Chain		Raw Materials	Manufacturing	Distribution	Consumption	Disposal
Raw Materials	Manufacturing	Distribution	Consumption	Disposal		
Manufacturing	Distribution	Consumption	Disposal			
Distribution	Consumption	Disposal				
Consumption	Disposal					
Disposal						

Example of worksheet for identifying where human rights impacts occur in the value chain.

STEP  
B

Identification of  
human rights issues  
by sector



- a. Based on the 'Human Rights Issues by Sector' published in 2013, the Secretariat creates a comprehensive list of stakeholders, who are potentially involved in the human rights issues causable in each value chain by sector, in a specific geographical region. The list is assessed comprehensively by the representatives from NGOs/NPOs, academia and human right experts.
- b. The participants and the subject experts exchange data/information related to the issues, and discuss about their different viewpoints, approaches and ideas for remedying and mitigating potential impacts.
- c. The Secretariat supplements contents of the list by reflecting comments from the subject experts. That is followed by "Human Rights Issues by Sector (draft)" update, in order to further clarify relationship between the critical human right issues of the specified products/services/regions and the specific stakeholders.
- d. The summary of the workshop was open for public comment from November to December 2014.
- e. Final report will be published in February 2015.

#### Public Consultation(2014): 2 Company, 6 organizations

- NEC Corporation (Japan)
- Noitransform Pte Ltd. (Singapore)
- Global Network Initiative (U.S., Washington DC)
- Institute for Human Rights and Business (U.K., London)
- Initiatives of Change(U.K., London)
- International Corporate Accountability Roundtable (U.S., Washington DC)
- The Danish Institute for Human Rights (Denmark)
- Anonymous



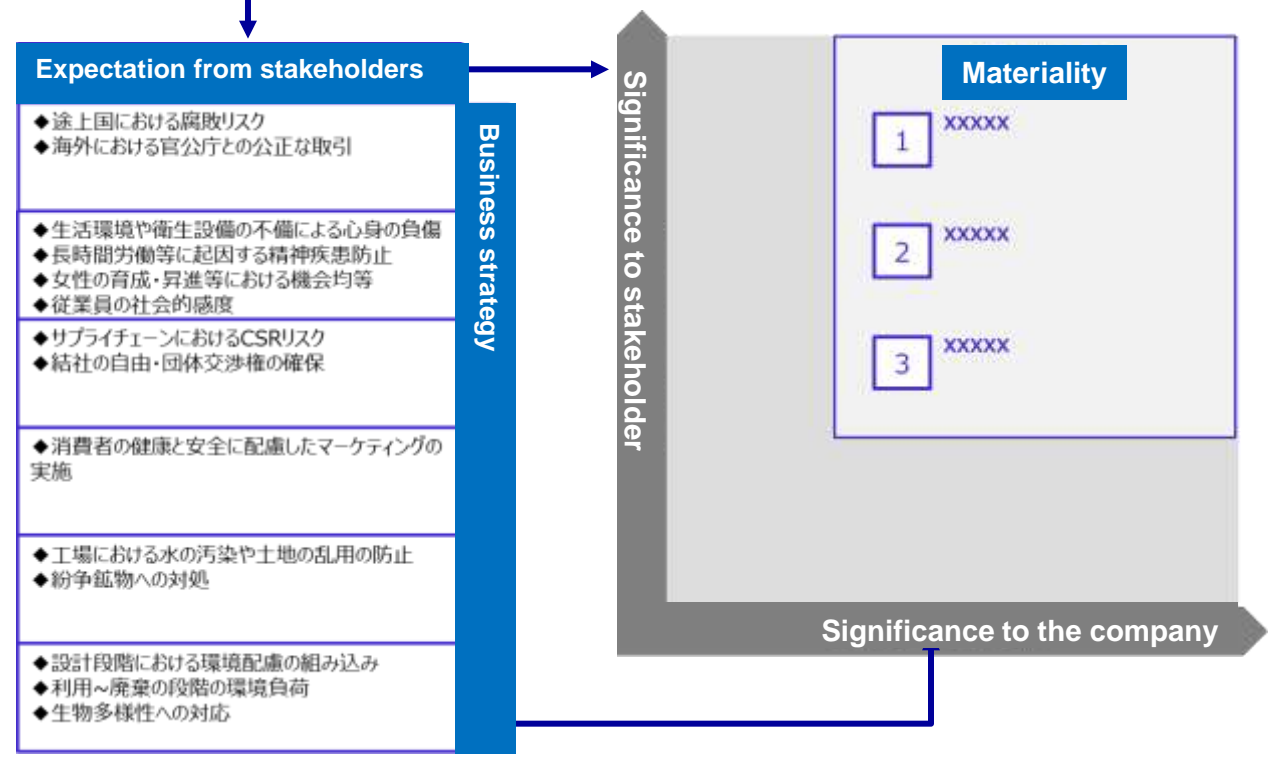
**STEP C**  
 Mapping relevant sustainability issues and business strategy

Each company identifies relevant issues considering expectations from stakeholders and assesses in terms of significance to stakeholders.

Each company assesses to what extent the relevant issues are related to its business considering its corporate philosophy and business strategy.

Based on these two assessments, each company prioritizes the relevant issues and defines materiality.

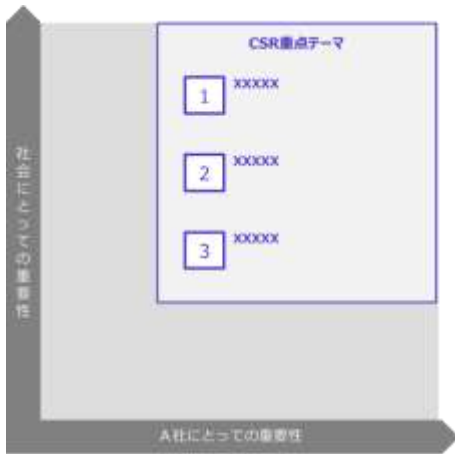
- Stakeholder engagement**
- Dialogues with experts
  - Employee dialogue
  - Multi-stakeholder dialogue
  - Customer satisfaction
  - Business partner survey
  - etc



**STEP D**  
**Inherent risk assessment**

Each company identifies high risk countries/ areas related to material issues based on credible data provided by a CSR initiatives, while assessing strategic importance of the countries/ regions.

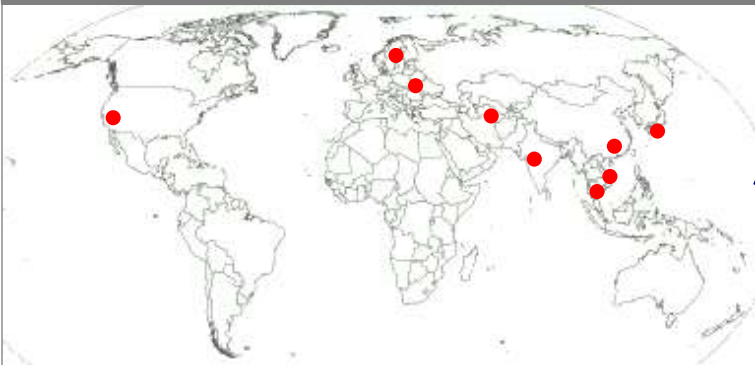
Each company specifies the most critical geographical areas (priority areas) and identify stakeholders who are affected/ could possibly be affected.



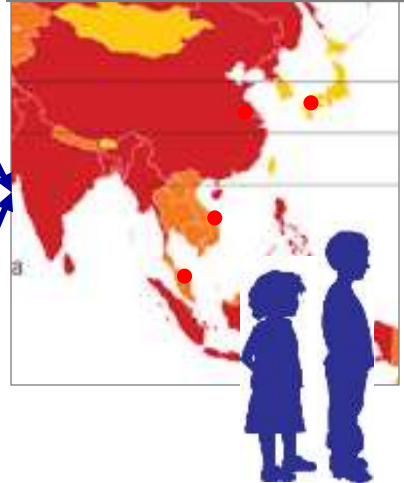
High risk countries/ areas related to material issues



Strategic important countries/ regions.



stakeholders who are affected



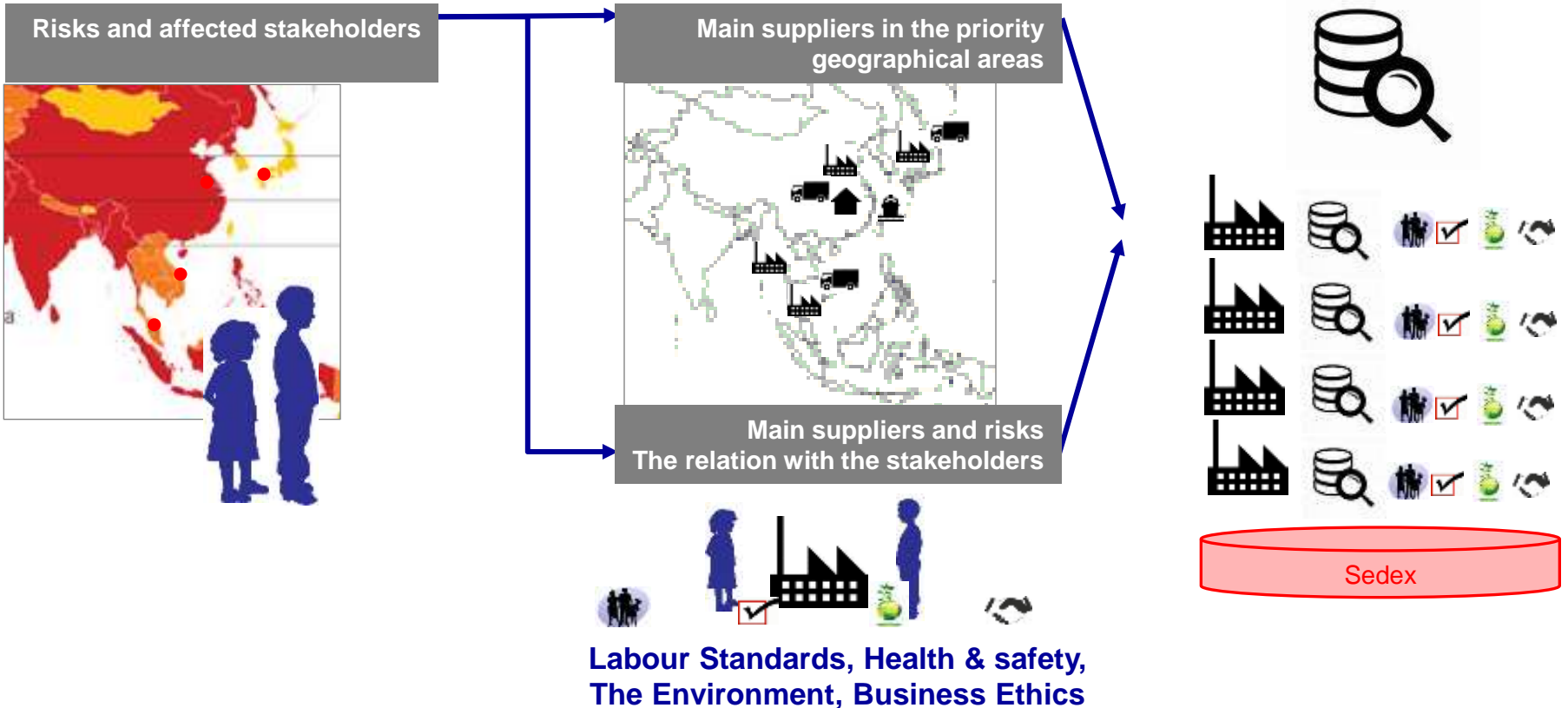




Each company identifies main suppliers in the priority geographical areas and collects information related to the material issues through survey.

Suppliers enter information into a common platform provided by a CSR initiative

Using a common platform, the company manage supplier information as well as existing/ potential risks in an effective and efficient way. This will help to implement remediation activities.





Step F involves mapping of existing activities concerning issues identified in the previous steps and assessing the company's current status.

A consultation with experts in the next STEP G would be recommended, if it is not clear whether certain issues not currently addressed as risks, or current actions/approaches found to be inadequate, would be potential business continuity concerns.

Action STEP F&G (in a yellow frame) comprise one set.

STEP F is approachable from any of the STEPs B, D and E.

An example of the STEP F: mapping of the existing activities.

 A screenshot of a table with multiple columns and rows. The table is titled "Identified human rights issues the Nippon Express Group would need to address based on identification of 'Human rights issues by sector'". The table contains various categories of human rights issues and corresponding actions or status.

Source: Nippon Express Co., LTD. CSR Report 2013, pp.12-13

### **STEP B⇒STEP F(Primary)**

Mapping existing activities concerning human rights issues identified in the "Human Rights Issues by Sector"(STEP B) and assessing the current status.

### **STEP C⇒STEP F (Intermediate)**

Mapping existing activities concerning the issues prioritized in the STEP C, in order to clarify which issues have been already addressed and which issues need further actions.

### **STEP D&E⇒STEP F(Advanced)**

Assessing risks concerning issues identified in the previous steps based on credible data (STEP D), and selecting sites (factory, business facility etc.) in which further actions are needed.





STEP G involves dialogues with stakeholders, NGOs, and experts.

Each company has a dialogue/ dialogues with stakeholders, NGOs, and experts on the issues identified as a result of STEP F as well as the process undertaken.

Through the dialogue, they confirm if anything is missed and the identified issues and relevant impacts are verified in terms of scope and significance.

Advice from the experts includes but not limited to how to address the identified issues and time frame for action.

Companies would be introduced potential partners for the action implementation in STEP I.

Examples of the STEP G: dialogues with stakeholders, NGOs, and experts.



Source: Olympus Corporation  
CSR Report 2013, P. 33-34



Source: Mitsubishi Heavy Industries, Ltd.  
CSR Report 2013, pp.19-20.



STEP H involves determination of policy and action plan, reflecting outcome of the dialogue with stakeholders, NGOs, experts.

In this step, each company develops specific action plans for improving/resolving the issues prioritized in the previous steps.

Safety measures at site...??



Regarding the issues that the company has ability to control, finding solutions by involving relevant functions would be expected. This would contribute to raise awareness on sustainability within the company.

When internal resource of the company is limited, or issues are beyond the company's control, CRT Japan would provide an advice on specific actions, on consultation basis.

Child labour...?



In the next SETP I, the company can jointly work with other organizations or companies.

Collaboration can enhance efficiency and effectiveness to attain more impact and scalability. (e.g. Collaborative Project on the issues of child labour, forced labour etc.)



Forced Labour???



### ◆ Audit

A site audit at sites (factory, business facility etc.) can be a good opportunity to identify issues from the third party point of view.

However an audit in this step is not a requirement: a company can skip the audit and implement activities.

### ◆ Action Implementation

The actions on the material issues can be implemented either on their own or in collaboration with other companies or organizations.

#### 【Stand alone Action】

Actions/ trainings for resolving the issues are implemented according to a program developed within the company.

#### 【Collaborative Action】

Actions/ trainings can be implemented by joining the Collaborative Projects developed by CRT Japan.

e.g. Training sessions run by the CSR experts (NGOs) for the sites managers who will be responsible for the implementation of the program at own sites.

### ◆ Impact Assessment

Defining clear metrics /index for measurement /assessment are essential for qualitative or quantitative assessment of impacts.



STEP  
JReview by the Executive  
Committee

STEP J involves review by the Executive Committee.

A group of leaders selected from global CSR initiative organizations review the process and activities undertaken from STEP A to I.

Considering global sustainability trends, the group gives comments on the company's activities in terms of effectiveness and to what extent these activities could create competitive advantage from the experts' point of view.



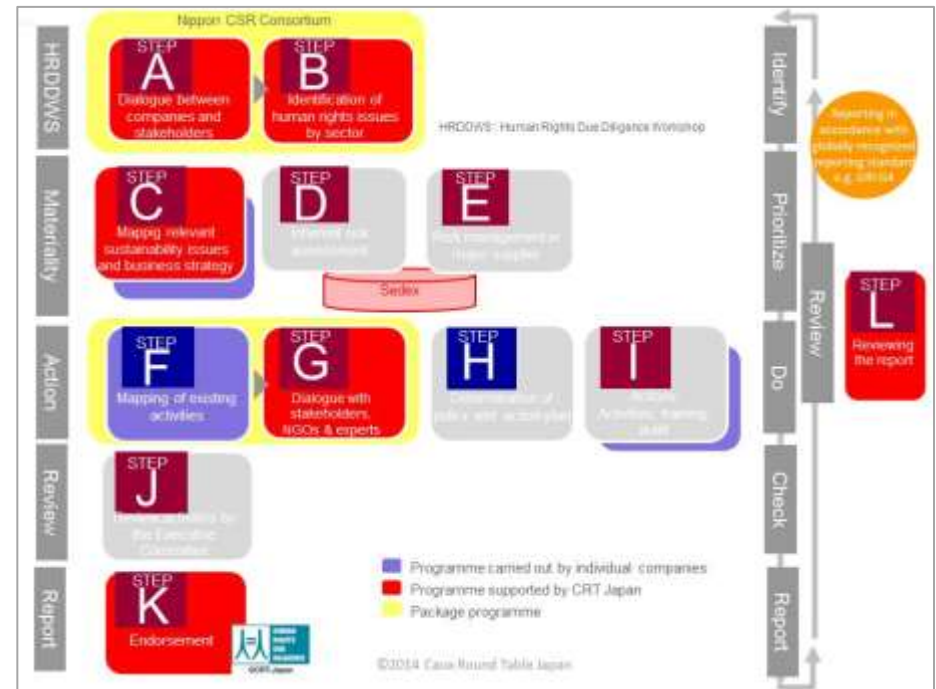
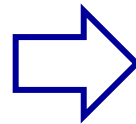
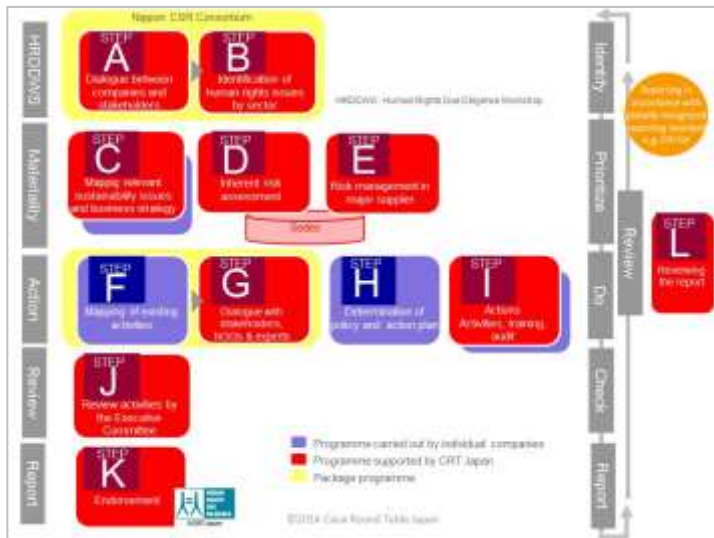




STEP K involves Endorsement in which CRT Japan confirms which STEPs are taken and implemented by each company.

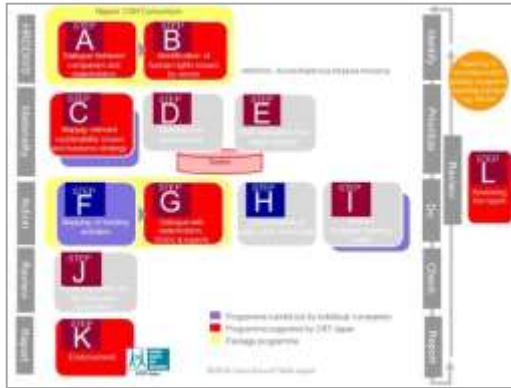
The company can check their understandings of overall process, the status of implementation and progress from an outside perspective.

The role of CRT Japan here is not to assure but check status of each STEPs taken by a company.



Current status of activities are captured at glance. (No activity is taken place in gray colored areas.)

## An example of STEP K: Endorsement



Please refer to CRT Japan home page for further details of each STEP.

Caux Round Table herewith confirms that A company has understood the Sustainable Navigation framework and undertook the following activities.

### 【STEP A & B】

A company has participated in the Human Rights Due Diligence Workshop at the Nippon CSR Consortium and worked with other companies, NGOs, and experts to identify sector specific human rights issues.(STEP A & B)

### 【STEP C】

A company prioritized relevant issues with relevant departments and defined 7 material issues. (STEP C)

### 【STEP F & G】

A company mapped existing activities concerning the material issues, and consulted with CSR experts in a dialogue in which they received feedback and advices from the experts. (STEP F & G)

I look forward to seeing further progress being made by A company, including determination of action plans and implementation.



