

## Report –EICC’s initiatives on Business and Human Rights

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| Date         | Monday, June 16th, 16:30 to 18:30 JST in Tokyo  |
| Venue        | Lambuth Hall, Kwansai Gakuin University, Tokyo Marunouchi Campus<br>Sapia Tower 10th Floor, 1-7-12 Marunouchi Chiyoda-ku, Tokyo |
| Organizer    | Caux Round Table Japan, Electronic Industry Citizenship Coalition (EICC)  |
| Supported by | Japan Electronics and Information Technology Industries Association (JEITA)   |
| Language     | Japanese and English (simultaneous interpretation)  |

On June 16th, 2014, Caux Round Table Japan in collaboration with the Electronic Industry Citizenship Coalition (EICC) and with the support of the Japan Electronics and Information Technology Industries Association (JEITA) held a joint conference on Human Rights and Business. 47 people from 35 organizations participated in this conference and received a clear approach on how Human Rights and Business are related and how to implement an effective strategy to understand, address impacts and implement ways to respect and mitigate those impacts through stakeholder engagement and supply chain management.

In Opening Remark, Hiroshi Yoshino, Senior Manager, Purchasing Innovation Planning Department, Solution Elements Purchasing Division, at NEC Corporation. Introduced the audience into the EICC, addressing its industry code of conduct as an evolving tool in continuous improvement via stakeholder collaboration which lead to building a solid reputation and trust among EICC membership. He also mentioned the importance of industry organizations such as the EICC to improve performance and address together issues that the industry faces that could not be tackled by independent companies on its own.

Something to highlight of the EICC is that its members (more than 95) represent the whole supply chain in the electronics industry from designers and manufacturers to suppliers. This gives a competitive advantage addressing Human Rights impacts along all the stages of a product until its disposal. In this way the EICC pursue its objective to improve efficiency and social, ethical, and environmental responsibility in the global supply chain, Julie Schindall pointed

out.

In her presentation, Julie Schindall outlined the path from: 1) addressing Human Rights Impacts, 2) defining mechanisms for the respect of Human Rights within the companies; 3) engaging proactively with its stakeholders and the importance of communication in the process.

The base of this process to address responsibilities of business to respect human rights is the EICC's code of conduct that was established to ensure worker safety, fairness, environmental responsibility, and business efficiency. The 100% of EICC members have aligned their own codes of conduct to the EICC's which emphasizes continuous improvement and now EICC is in an ongoing consultative process with members and stakeholders. It is really important to mention that this process was enlightened by the UN Guiding Principles for Business and Human Rights to identify responsibilities between industry groups (EICC) and individual companies.

During the second part she outlined how to put in practice the commitments stated in the Code of Conduct. It all starts by understanding the needs and expectations of the stakeholders, emphasizing relationships, dialogue and engagement in an honest trust building environment where expectations can be addressed and if the company cannot fulfill these expectations, it should clarify the issue, but it has to make sure that every interested party is taken into account and respond accordingly.

In this section she elaborated on stakeholder engagement responding to three questions: Who should we engage with? Why should we engage with them? and How should we engage? in order to tackle communication problems, lack of common ground, unwillingness to compromise, inability to have an impact and bureaucracy.

All of these challenges are related to business risks so; How do we ensure "Business continuity"? she asked. One way to do it is through communication in two levels: being transparent and accountable; and being responsive. On one hand people should know what companies are doing and what are its commitments and on the other when we fail to one of these commitments the

company should be ready to respond (remedy) in a quick, honest and relatable way and report back as problems are being fixed. Education and building relationships are main aspects on communicating sustainability.

After EICC's presentation, Hiroshi Ishida Executive Director of CRT-Japan introduced CRT-Japan and its background on Human Rights and CSR. He mentioned that CRT-Japan is supporting companies in Japan at different levels with its "Stakeholder engagement program" and "Human Rights due Diligence workshops"; he briefly commented on CRT-Japan's "Sustainability Navigation Framework", where the phases outlined during the seminar can be easily identified in a much wider CSR strategy within the company.

Finally attendants were invited to a round of Q&A where Julie Schindall responded:

-We should change the focus from reactive (firefighter) to proactive, in this way we can address issues before they escalate into major risks, identifying where can the company have an impact and where can it be directly implicated. In other words "materiality" or in simple words deciding what matters more.

-The most important challenges for communicating sustainability are 1) creating bridges not only between the company and its stakeholders, but within the company departments; and 2) for communicating sustainability it is important to associate "product value marketing" to sustainability.

Hiroshi Ishida closed the session reminding the attendants of the path that CRT-Japan continued in 2013 with a "Conference on CSR and Risk Management". This year the conference will explore CSR risks management using the UN Guiding Principles on Business and Human Rights (GPs) as a guidance tool. As a Global Conference we will have the participation of different organizations from Europe and experts on Human Rights and Business.