

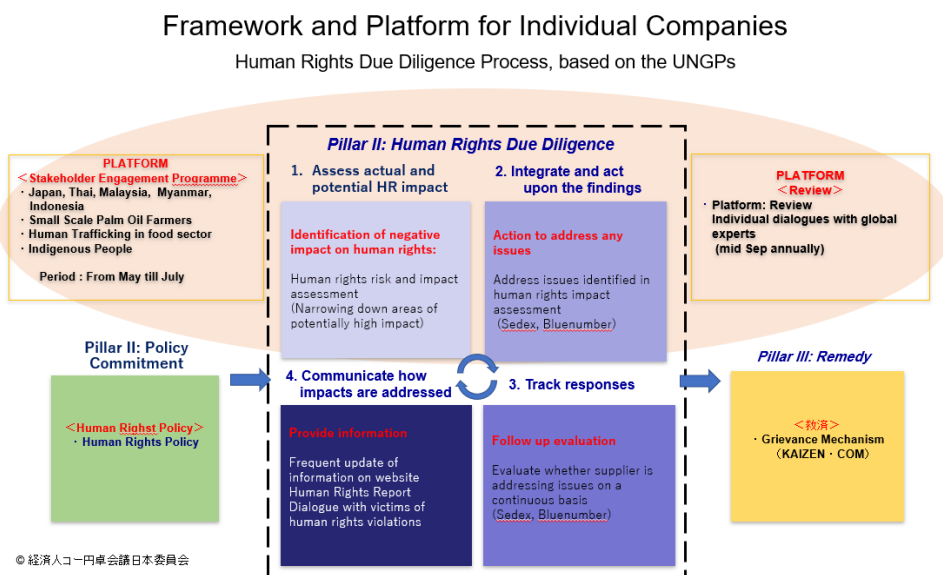
Human Rights Risk Report -Stakeholder Engagement Programme-

Caux Round Table (CRT) Japan developed the following unique methodology in 2012, to assist companies in fulfilling their responsibilities of ‘respect’ and ‘remedy’, as stated in the UN Guiding Principles for Business and Human Rights (UNGPs).

The UNGPs established that all companies have the responsibility to respect human rights, and state that companies should conduct ‘human rights due diligence’ as a means to identify, prevent, mitigate, and account for any potential and actual negative impact on human rights that business activities may have.

I . CRT Methodology of Human Rights Due Diligence

CRT believes that effective human rights due diligence requires a simple and transparent procedural framework, and has designed the following methodology:



We created the above 'framework' for individual companies to implement, whereas the 'platforms' are based on companies working together with NGOs and other actors.

★Platform

- a. Stakeholder Engagement Programme (May – Jul. 2018)
 - Japan, Thailand, Malaysia, Myanmar, Indonesia
- b. Review sessions with experts (12-13 Sept. 2018)
 - International Conference on Business and Human Rights (Tokyo)

★Framework (tailored for individual companies)

- a. Pillar II Human Rights Policy
- b. Pillar II Human Rights Due Diligence :
 - Identification of priority issues and potential negative impacts
- c. Pillar III Remedy : Grievance mechanism (KAIZEN-COM)

Below please find more details on the Platforms we offer.

II. Platform: Stakeholder Engagement Programme (SHE)

1. Origins of the programme

One of the main reasons that companies had difficulties addressing human rights issues for many years was that the messages of the victims of human rights violations were not being conveyed adequately. The involvement of multiple stakeholders and other actors resulted in messages being confused, and companies were unsure of what concrete steps were required. CRT's neutral and impartial position allowed it to act as a mediator for all involved, and we decided to create a platform for dialogue.

CRT formed a platform for dialogue - the 'Japan Consortium' - for NGOs and other experts and companies to engage in dialogue, as a first step towards establishing a common understanding of the UNGPs and a relationship of trust for all actors. Though there were obstacles at first, we conducted successful workshops for



a large number of companies, NGOs, and experts, and were able to create a safe

space where our three rules of 'fairness', 'integrity', and 'honesty' were respected, and all felt empowered to discuss the issues on the basis of Chatham House Rules. We plan to strengthen the programme in 2018, to enable a more direct dialogue with victims of human rights violations.

2. SHE overview

The SHE participants have included a wide range of companies, NGOs, and academics, all of whom have come together to discuss the contexts and backgrounds of human rights issues, the relationship between business operations and such issues, and the importance of respecting human rights in all business activities. The results of our discussions are presented internationally to the public for comment, after which our annual report on 'Important Human Rights Issues by Sector' is published. The SHE programme serves as a base for the human rights due diligence of individual companies.



<Participants>			
Year	Companies	NGO	Total participants
2012	39	11	68 people
2013	15	12	35 people
2014	34	17	68 people
2015	48	17	98 people
2016	40	14	73 people
2017	23	17	67 people

The final SHE reports can be viewed at:

http://crt-japan.jp/project-overview/stakeholder_engagement/report_doc/

3. Expansion into Asia

It subsequently came to light that there were many human rights risks not only in Japan but in the supply chains of many Japanese companies, and, CRT started reaching out in 2014 to organizations (such as Marimo5 in Thailand) to explore partnerships in Asian countries. We held our first overseas dialogue session in Thailand in 2016, and continued to expand with sessions in Thailand, Malaysia, and Myanmar in 2017. In 2018, we plan to hold sessions in the above three countries and in Indonesia.

These dialogue sessions have allowed Japanese companies to obtain in depth knowledge and understanding about issues on the ground, and forge partnerships and explore common solutions with local NGOs active in those countries.

Strengthening engagement with stakeholders

-- *Expanding dialogue sessions to five countries*

In 2018, we plan to hold dialogues in Japan, Thailand, Malaysia, Myanmar, and, for the first time, Indonesia. We hope these sessions will serve as fora where companies and NGOs can enter into partnerships to address human rights issues.

-- *The three engagement programmes*

In particular, we hope to assist companies and stakeholders in addressing rights issues faced by rights holders such as small scale palm oil farmers, victims of human trafficking, and indigenous peoples.

III. Platform: Review sessions with Experts

At the 'International Conference on Business and Human Rights in Tokyo', which CRT has organized annually since 2013, we invite global practitioners to present global trends and positive examples from frontrunning companies, and to deepen their understanding of measures taken by Japanese companies.

Around this conference, we organize sessions for these global experts and individual companies to engage in dialogue.

For example, from 11 to 15 September 2017, we had a week long programme of seminars and meetings in Tokyo.

11 Sep: AM: 'CRT Partner Session: Learning Recent Human Rights Due Diligence Tools' (SEDEX, Bluenumber, ELEVATE, Verisk Maplecroft)
PM: 'Consultation and Feedback on Corporate Human Rights Benchmark'
12 Sep: 'Towards a Responsible Supply Chain:Merits of SEDEX', 'Bilateral dialogue with individual companies part 1'
13 Sep: 'Mega-Sporting Event Forum (Towards the 2020 Tokyo Olympics)'
14 Sep: 'Bilateral dialogue with individual companies part 2'
15 Sep: 'International Conference on Business and Human Rights in Tokyo' <http://crt-japan.jp/conference2017/>

At the 90 minutes bilateral dialogue sessions on 12 and 14 September, companies presented experts with the steps they had taken in human rights over the past year, and received advice from an international perspective. These sessions have assisted companies in clarifying the direction for their future measures, and CRT has followed up in assisting those companies with formulating concrete action plans.

IV. The future of the programme: 'keizoku ha chikara-nari'

CRT has assisted companies in dealing with human rights issues through the following two phases:

- ★Phase 1: Dialogue sessions with multiple stakeholders and practitioners, to deepened understanding of the issues.
- ★Phase 2: Build partnerships with practitioners and NGOs through dialogue with victims of human rights violations.

We have received a large amount of comments on the SHE since we started presenting our findings internationally in 2012. We started organizing the international conference in 2013, hoping to inform the world of how Japanese companies are addressing human rights issues. Thanks to the many recommendations from the international experts at our conferences, we had the opportunity to present our work at the UN Forum on Business and Human Rights in Geneva, in 2014.

In Japanese, we say 'keizoku ha chikara-nari' – a proverb that means continuing a good thing is in itself a worthy undertaking. At CRT, we believe that maintaining this engagement is a significant achievement. I personally think that this is, at the very least, a ten years endeavor, until 2022. We hope you will also partner with us to bring about positive change to society.

Hiroshi Ishida

Executive Director, CRT Japan