

17th November, 2023
Nippon CSR Consortium

Version for Public Consultation

2023 Human Rights Due Diligence Workshop (Tokyo, Japan)
Invitation to Comment on “Human Rights Issues by Sector (draft)”

Since September 2012, the Nippon CSR Consortium has been working to provide a forum in which to identify and discuss negative human rights impacts that may arise as a result of corporate activities. This work has been conducted in collaboration with companies from various industrial sectors, as well as NPOs, NGOs and human rights experts in academia.

The 12th Human Rights Due Diligence Workshop in 2023 continued to utilize the Human Rights Guidance Tool developed by the UNEP FI to identify "key human rights issues for each industry". A total of eight workshops were held from June 1 to July 27, and this document was compiled. The Consortium applies the Chattam House Rule to promote dialogue through free, open, and in-depth discussions. It should be noted that the participants have developed this document based on their own personal views and not those of the organizations to which they belong. Caux Round Table Japan (CRT Japan), which manages the Nippon CSR Consortium, is solely responsible for the compilation of this document.

This paper is the result of a series of discussions in the workshop. The Consortium hereby releases “Human Rights Issues by Sector (draft)”

1. Subject

Human Rights Issues by Sector (draft)

2. Application

(1) Consultation Period

17th November 2023 – 17th December 2023 (Japan Time)

(2) Submission Address

Please send your comments to CRT Japan’s Nippon CSR Consortium secretariat, by e-mail (info@crt-japan.jp) as an attached document in Word format. Please kindly be advised that we are unable to accept comments through other methods (such as by telephone, fax, or post), nor are we able to accept anonymous submissions.

(3) Application Procedure

Address to: Secretariat of the Nippon CSR Consortium (in CRT Japan)

Subject: Comment on “Human Rights Issues”

Organization/Affiliation and Name: (Department, Name)

Email and Telephone :

(4) Comments:

We invite public comments on the following questions. In the description of your comments, please specify the industry sector, page number, and concrete issue that your comment addresses. Depending on your needs, please enter your comments on the Public Comments sheet (Attachment).

1. Please share any comments on the concept and procedure of this workshop
2. Please freely respond with any comments on “Human Rights Issues by Sector (draft)”
3. The final report is scheduled for publication in January 2023. What kind of format and/or procedure do you consider would be most appropriate for finalizing the report?

(5) Submission and Inquiry

Secretariat of Nippon CSR Consortium (in CRT Japan Office)

E-mail: info@crt-japan.jp

3. Management and Handling of Comments

The comments on the draft submitted to the Nippon CSR Consortium will be used for the future reference of participants in the discussions. Please note that we are unable to respond to individual comments. All the comments, personal names and/or corporate and organizational names submitted may be disclosed on the CRT Japan website, however addresses, telephone and fax numbers, and addresses of the commenter’s will not be published. If the comments include private information, by which a particular individual can be identified, or any information deemed to damage a property right of an individual person or a corporation, pertinent sections of the text will be deleted at the time of publication.



Hiroshi Ishida
Executive Director, Caux Round Table Japan

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1 Preface

1-1. Purpose of the Human Rights Due Diligence Workshop

The Nippon CSR Consortium was established in September 2012 to raise awareness and promote activities in the fields of business and human rights by offering a forum in which companies can discuss human rights issues with NGOs/NPOs and human rights experts. Since 2012, the Consortium has held the Human Rights Due Diligence Workshop for 12 years. The workshop has been implemented with the participation of NGO/NPOs, academics, and experts, mainly from companies.

There are some underlying factors that contributed to the establishment of the consortium. Companies face difficulty in responding to various demands and expectations from a broad range of their stakeholders. Therefore, it is effective and useful for companies to join this consortium, discuss and identify what human rights issues they need to address with NGOs/NPOs, and plan to carry out their human rights activities in their companies. The consortium also emphasizes sustainability of activities. It is important for companies to be committed to continuous efforts for incremental improvement. In order to respond dynamically to a diverse range of issues, it is also important for companies to stay abreast of changes and issues in the society that potentially link their activities to human rights impacts.

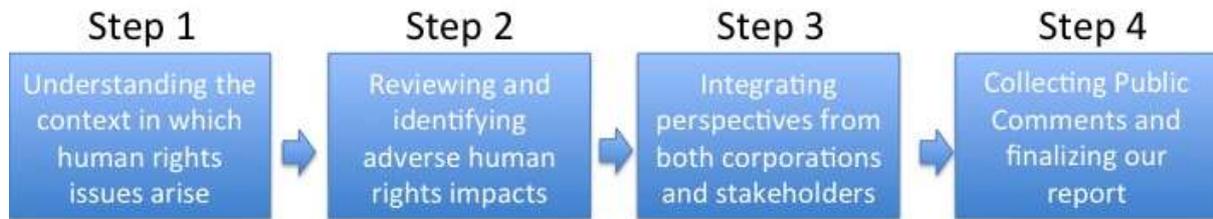
The Nippon CSR Consortium positions the workshop as an activity that aims to assist companies in (1) identifying and assessing any actual or potentially adverse human rights impacts as defined in the UN Guiding Principles¹, which are connected to their activities, and (2) integrating and acting upon the findings, (3) reporting, and (4) tracking improvement continuously. We hope participants' companies can use the knowledge acquired at this workshop to support their human rights due diligence activities at their companies.

The “Human Rights Issue by Sector (draft)” represents the outcome of the discussions started in June 2023, and is hereby opened for public consultation. We would appreciate candid comments on the drafts from stakeholders. The final document will be issued in January 2024.

Refer to: Human Rights Council, 2011, *Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises*, Available at: <http://www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf#search='report+of+the+special+representative+of+the+secretarygeneral+on+the+issue+of+human+rights+and+transnational> (Accessed Nov 10th, 2014).

1-2. Procedure of the Workshop in 2023

The workshop consists of the following four steps.



Step1: Understanding the context in which human rights issues arise

- Corporate participants were given a lecture on the particular context in which human rights issues arise by members of NGOs/NPOs and subject experts. After the lecture, the participants from the company, NGO/NPO, and subject experts were separated by the given topics and discussed further.

Step2: Reviewing and identifying adverse human rights impacts arising from corporate activities

- The participants reviewed the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points, using the Human Rights Guidance Tool (2014 revision).

Step3: Integrating perspectives from both corporations and stakeholders

- The corporate participants summarised discussion contents and exchanged their views with NGOs/NPOs and subject experts. After receiving feedback from the NGOs/NPOs and subject experts, the corporate participants finalized their discussion contents by sector. The Secretariat then compiled their work and developed “Human Rights Issues by Sector (draft)”.

Step4: Collecting Public Comments and finalizing our report

The Secretariat invites public comments on this paper from 17th November 2023 – 17th December 2023.

1-3. Points for Consideration

1-3.a Relevance between business operations and human rights

In the beginning of this workshop in 2012, NGOs/NPOs did not have full understanding on how their social and environmental concerns were relevant to business and human rights. Also, corporate participants did not understand how their business operations and human rights were relevant. However, through this workshop, they started recognizing that social and environmental issues are business and human rights, and business operations and human rights are relevant.

1-3.b Scope of Study and Analysis

The workshop does not include the following study and analysis.

- The interconnection map of WEF Global Risks illustrated in “Human Rights Issues by Sector (v.3)” is not discussed or in the scope of analysis.
- “Priorities on the SDGs by Sector” is not discussed or in the scope of analysis.

2 CRT Japan's viewpoint as the Secretariat of Nippon CSR Consortium

In 2022-2023, the pandemic Covid-19 is gradually coming to an end, and people are beginning to normalize their traffic, starting in Europe and the United States. On the other hand, Russia's invasion of Ukraine has continued for more than a year, and the intensity of the fighting has increased. This has resulted in repeated political wrangling between the democratic camp, led by the U.S., and the Global South, led by Russia, China, and India, which promote tyrannical regimes. This has taken a heavy toll on global supply chains. Furthermore, in October, military clashes between Hamas and Israel around the Gaza Strip in the interim Palestinian Authority have created a dire situation. Here, the UN functions aimed at peace are not functioning at all, and the division of the international community is rapidly widening.

On the other hand, in technology, generative AI has emerged since late 2022 and has begun to attract attention among nations and companies in its development and use. Under the circumstances of rapidly expanding investment in AI, rules for AI regulation in Europe and the AI Safety Summit were held in November. Along with the expectation that it will change the critical situation of mankind, it is also regarded as the greatest threat to mankind, and the topic is rapidly gaining momentum.

Meanwhile, in Japan, the Guiding Principles have revealed the long-standing and ongoing sexual assault of youth by the founder of the largest entertainment agency, "Johnny's Office," with a total of more than 100 victims. The victims raised the issue in the context of the Guiding Principles, and were included in the schedule of the UN Human Rights Committee's Working Group on Business and Human Rights during its first visit to Japan. The Japanese government and the industrial world were also shaken by the incident, and many members of the public became aware of "business and human rights". The media and many companies with which we have commercial contracts are discussing and closely monitoring their responses to the concepts of "complicity" and "facilitation" in the Guiding Principles.

*In the above series of developments, this workshop was cited as an example of a "human rights due diligence" initiative that should be referred to, in the guide to "Business and Human Rights Responses Required of Companies Today" published by the Human Rights Protection Bureau of the Ministry of Justice in 2021, and the "Human Rights Issues by Sector (Draft) Japanese" (public comment implemented at the end of 2020) published by the Nippon CSR Consortium (official name) was cited as a case study to be referred to and introduced as a high-profile initiative.

In the discussions among different industries conducted during the 6th workshop, there was a strong awareness of the beginning of the fragmentation of the global economy, with acts of war becoming a regular feature of economic sanctions as a bargaining tool among nations that are the subjects of respect for human rights in the international community. There were concerns about the impact of these sanctions in various industries, and the anguish of companies struggling to cope with them.

Special Efforts this Year]-Resumption of Global Dialogues

The five overseas experts who had not been able to visit Japan for a long time due to the Covid-19 came to Japan in October for the "2023 Business and Human Rights Conference in Tokyo" hosted by CRT Japan. Five overseas experts and about 40 members of companies participating in this workshop took part in the event.

<Outline of the 2023 Global Dialogue>

Date: October 12, 2023 AP Marunouchi Tokyo / ZOOM

Overseas experts:

- Mr. Sean Christopher Lees United Nations Development Programme (UNDP) Bangkok Regional Hub Business and Human Rights Specialist, Asia Pacific
- Guna Subramaniam, Business and Human Rights Specialist, Asia Pacific Institute for Human Rights and Business
- Jill van de Walle, Research Analyst, World Benchmarking Alliance
- Annabel Mulder, Research Analyst, World Benchmarking Alliance
- Rishi Sher Singh, Global Value Chain Expert, Advisor to CRT Japan Committee

Content:

The secretariat outlined the framework for the ongoing initiatives to be held as Nippon CSR, and introduced the issues raised by civil society organizations this year. Following the presentation, two case studies from the IT/electric and apparel industries were reported on the results of the examination of human rights issues by industry, followed by a dialogue with the experts.

Comments from international experts:

- The human rights due diligence should be seen as an effort to reach vulnerable and vulnerable stakeholders who are located beyond the workers in the Tier 1 supply chain and the workers and communities involved in the production of raw materials.
- Rights holders close to raw materials are also vulnerable to the impacts of climate change. We would like to see more attention paid to raw materials.
- AI as a technology has the potential to take away the jobs of current workers through the synergistic effects of automation and labor saving that have been achieved by the Corona Disaster. The impact of taking away jobs should be viewed as a negative impact, and the human rights DDR should also consider how this will affect the supply chain.
- We would like to see the supply chain mapped out. This will clarify where the impacts are. Furthermore, by mapping the entire value chain, we will be able to identify negative points for sustainable business. For example, a business model that significantly increases or decreases the number of orders at the last minute, based on information on apparel customer trends, will have a significant impact on the upstream of the supply chain. It is possible that the company may realize the need to review the business model itself. We have seen that human rights DD in companies that have been able to map their business models can be constructive.
- When companies discontinue procurement of raw materials from conflict areas or gray zones and shift to other regions, we would like them to do the impact on the discontinuation and the

situation in the new region (based on rights holders) and proceed on the basis of their own confirmation.

The companies participating in this workshop are continuously and diligently addressing "business and human rights. In the business environment surrounding the aforementioned corporate activities, each company is promoting human rights due diligence efforts. However, in many cases, the scope of the subjects of human rights respect (rights holders) investigated by Japanese companies is the company's own full-time employees. Although the number of companies conducting human rights due diligence, including those in the supply chain, has been increasing, the method has been mainly a questionnaire to check the CSR initiatives of their business partners. However, in recent years, the number of cases in which companies participating in the workshop approach their employees (front-line workers), who are the main actors in respect of human rights, is rapidly increasing. On the other hand, some companies were considering implementing human rights due diligence by utilizing various certification systems and social audits, but these do not guarantee meaningful engagement with rights holders and are not a substitute for human rights due diligence. Rather than efforts to tick human rights checkboxes, such as surveys and audits, companies need to dynamically identify where and against whom human rights and environmental issues are occurring throughout their business relationships.

The number of companies that have visualized their supply chains, identified specific vulnerable rights holders, and engaged with them is steadily increasing.

On the other hand, there is a noticeable delay in efforts to implement a grievance mechanism (remedy mechanism) that reaches rights holders directly. We believe that companies will continue to seek answers to these questions as an extension of whistleblower systems that are already in operation, and will not be able to change the paradigm. The secretariat feels that companies should be aware of the difference in scope and stakeholders between the whistleblower system, which focuses on compliance violations, and human rights issues that extend along the supply chain.

Finally, it should be noted that dialogue (dialogue) is the essence of human rights efforts. In this workshop, human rights issues of concern are made visible to both civil society and corporations. As the next step, what is important for companies in addressing human rights issues is to recognize the issues through dialogue with the parties suffering from human rights violations and the NGO/NPOs that support them. The approach of this workshop is to support companies in taking the first step toward conducting human rights due diligence, which is the gateway to this process. If there is a problem, companies are to work with stakeholders to address the issue by leveraging their expertise and strategy to ensure accountability, transparency, and legitimacy. By doing so, we believe that we can obtain a license to operate from society and ensure the sustainability of our business. The question is how the corporate participants in this workshop will incorporate this initiative into their corporate management and link it to their own human rights initiatives.

Although the global economy has aimed to open up markets, the reality is that its expanding supply chains are creating a series of obvious and significant issues that need to be resolved. The global economy has been on an expansionary path, but the past few years have also seen the emergence of a new set of national conflicts due to differences in political systems. The daily occurrence of combat has dealt a decisive blow to global supply chains. Since last year, we have been forced to make changes to restructure our supply chains with security BCPs in mind. Under any circumstances, business activities have the potential to have a negative impact on human rights, and only corporate activities that address these issues seriously can ensure their sustainability.

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Nippon CSR Consortium
Minoru Matsuzaki
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3. Human Rights Issues by Sectors

3.1 Manufacturing Industry

※Value Chain of Manufacturing Industry

Creation: research, development, design Purchase: construction of facilities, procurement Production: manufacturing Operation: storage, logistics

Sell: sales and marketing Use: consumption, utilization, maintenance and servicing Discard: disposal and recycling

Human Rights Issues in the Manufacturing Industry		Specific Concerns	Value Chain					
			Creation	Buy	Produce	Transport	Sell	Use
Labour Time and Wage		<ul style="list-style-type: none"> • Risk that the minimum wage is not in line with the local standard of living, leading to long working hours • Risk that monthly wages do not increase commensurate with cost of living increases → • Wage level does not match the local standard of living or does not rise commensurate with price increases • Vacation and wage compensation in the event that parents are forced to take long vacations due to their children's sudden absence from school or school (risk of not being guaranteed a proper place to stay if parents are unable to take leave) → • Insufficient wage compensation for unavoidable long vacations; lack of a place for children when parents cannot take leave • Risk of overtime due to production adjustments (prioritizing delivery dates) ※Requests for rapid increases in production following recovery from the effects of COVID-19, etc. • Possible lack of proper working hour management → Separation of work and private life (self-reporting) • Possible lack of proper management of working hours for remote work (work-life balance) • Possible truncation of working hours (problem of rounding down fractions of working hours) • Possible failure to pay overtime wages in excess of the prescribed/legal working hours under the deemed working hours system (management of working hours) • Under the deemed overtime system, there is a risk that overtime is not paid even though the deemed overtime hours have been exceeded. • There is a possibility that proper compensation (wages) for work is not paid. • Inappropriate operation of discretionary labor system and deemed managerial positions → • Partial non-payment of wages for working hours (inappropriate management of working hours for remote work, etc., excess of deemed overtime hours under the deemed working hours system, rounding down of fractions of working hours, no recognition of overtime requests, etc.) and forced work in excess of legal working hours • Overtime service and long working hours, especially in Japan. Excessive labor by managers (middle management) → Excessive labor in managerial (middle management) and other salaried positions • Risk of long working hours and wage reductions for subcontractors as a result of shifting increased raw material and energy costs due to geopolitical changes to subcontractors • Disparity in working conditions and wages between subcontractors and group companies. Equal pay for equal work → • Disparity in working conditions and wages within the same group • Possibility of long working hours due to old production facilities → • Long working hours due to lack of appropriate capital investment • Possible occurrence of long working hours due to labor shortage if the company does not hire new employees after an employee resigns. → • Long working hours may occur if the company does not hire new workers after an employee resigns. • Wage disparity due to regular/non-regular status or attributes • Economic deprivation of employees due to unfair dismissal * Risk of causing child labor • Response to the logistics 2024 problem (reduced income, increased workload, and deteriorated health due to restrictions on truck drivers' working hours) 						
	Treatment in the Workplace	<p>① Occupational accidents resulting in death or serious injury, especially in research, manufacturing, and factory sites [Creation/manufacturing].</p> <p>① Possible occurrence of occupational accidents while working at home (inadequate safety precautions, health hazards due to different working environment, disruption of rhythm of life)</p> <p>② Possible failure to certify work-related injuries and illnesses during remote work.</p> <p>→ ① Possible lack of recognition of work-related accidents during telecommuting</p> <p>① Living environment where minimum space is not secured, such as living in a dormitory with several people in one room, inadequate sanitary facilities (shower, toilet, etc.), and inadequate facilities for hygiene (e.g., showers, toilets, etc.), inadequate sanitary facilities, establishment of dormitories on the factory premises, and management of dormitories locked from the outside may have a negative impact on employee health.</p> <p>→ ① Lack of personal and private space in dormitories, inadequate sanitary environment</p> <p>① Health and safety standards do not conform to global standards. (emergency exits, evacuation drills, etc.)</p> <p>③ Progression of occupational diseases due to lack or non-use of protective equipment such as finger sacks, gloves, masks, ear plugs, etc.</p> <p>→ ①②③ Health hazards due to working in an environment that does not adequately meet health and safety standards</p> <p>① Blurring of work and private life, which may result in a decrease in workers' private life</p> <p>② Long working hours may cause health care problems, especially mental health problems.</p> <p>③ Remote work has become a regular occurrence, and the accompanying long-term work environment may not be maintained (e.g., illness and under-performance, etc.).</p> <p>①-④ Risk of children's healthy life being infringed upon due to parents' long working hours</p> <p>→ ②③ Permanent long working hours, which may affect the mental and physical health of workers and their children.</p> <p>② Remote work may lead to lack of communication and alienation or exclusion from the workplace.</p> <p>② Likelihood of having to bear the increased utility costs associated with remote work (compensation for telecommuting allowance)</p> <p>→ ② Fear of having workers work under inappropriate room temperature by not compensating for utility costs required for remote work</p> <p>③ Possible inability of foreign workers to properly access medical care due to language barriers</p> <p>④ Treatment of foreign workers (especially, language issues such as guidance and awareness of health and safety aspects)</p> <p>→ • Likelihood that foreign workers will not be able to access necessary health and safety information due to inadequate multilingual support.</p> <p>④ Differences in health and safety training opportunities due to differences in employment status, nationality, race, gender, age, educational background, length of service, etc.</p> <ul style="list-style-type: none"> • Forcing employees who wish to come to work to work remotely • Risk of increased mental stress due to employees not being allowed to take appropriate breaks or leave freely → • The risk of increased mental stress due to not being allowed to take appropriate breaks or leave freely. ②③ Risk of adverse effects on women's health and mental health (especially in factories and field work) due to lack of rest during difficult menstrual periods → • Working environment (especially in factories and field work) that does not give sufficient consideration to mental and physical changes peculiar to women such as menstruation. • Health hazards due to work under extreme heat • Risk of not being able to ensure the safety of food provided in the company cafeteria • Labor management (health) due to the introduction of side jobs 						
Business/Supply Chain	<ul style="list-style-type: none"> • Likelihood of unequal treatment in terms of working conditions, training, and promotion • Discrimination against women and sexual minorities • Discrimination against women and sexual minorities • Sexual orientation/gender identity (SOGI) accommodations (renovations to restrooms and locker rooms, some companies have stopped including gender on resumes) • Discrimination against nationality, race, religion, etc. • Discrimination against non-vaccinated persons (forced vaccination) • Discrimination against infected persons • Discrimination against workers may lead to discrimination against their children. • Discrimination against Russians may occur as a result of Russia's military invasion of Ukraine. • Discrimination based on the community to which one belongs (residential area, work area, etc.) → • Discrimination based on race, skin color, gender, age, nationality, disability, illness, marital status, sexual orientation, gender identity, religion, place of residence, place of birth, etc. • Harassment (sexual harassment, power harassment, and remote harassment) • Customer harassment • Technology harassment (from young to old) → • Various types of harassment (sexual harassment, power harassment, remote-harassment, technology harassment, etc.) • Risk of workers' privacy being violated by the company's management of workers' vital information (e.g., sleep information) 							

Discrimination	At the time of hiring and at the time of employment	<p><u>Risk of workers' privacy being violated by the company's management of workers' data information (e.g., sleep information)</u></p> <ul style="list-style-type: none"> • Discrimination due to leakage of personal information handled only by certain departments → • Discrimination and invasion of privacy due to leakage of personal information handled only by certain departments • Possibility that AI may read latent discrimination tendencies in humans through the data it learns (e.g., TMS) and promote them • Possible unequal treatment in predicting resignations and declines of job offers by AI • Worker privacy may be violated by AI monitoring of workers. • Possibility of loss of employment opportunities due to discriminatory treatment (bias of AI itself) • When AI is used for recruitment or personnel evaluation, the person in charge may not be able to make appropriate judgments, which may unintentionally promote discrimination. → • Risk of discriminatory treatment of job applicants and employees due to biased AI in hiring and personnel evaluation • Risk of disadvantageous treatment of technical intern trainees, such as dismissal or return to their home countries, due to marriage, pregnancy, childbirth, etc. • Risk of being denied maternity/paternity leave, shortened working hours, etc. • Unequal judgment may be made at the time of hiring due to unconscious bias. → • Unequal access to internal systems and benefits due to differences in employment status or race • Risk of corporate activities leading to human rights violations due to lack of ESG awareness among general employees (Due to the trend of the need to include the concept of ESG evaluation not only for executives but also for general employees, and to raise their awareness of the need to be involved in ESG issues) • Risk that the working environment of in-house technical intern trainees can be confirmed, but that of technical intern trainees employed by suppliers cannot be ascertained. → • The possibility that suppliers may be complicit in discrimination because they do not have a grasp of the employment and working conditions of their own workers. • Gender bias may deprive women of freedom of choice in their work and reduce their opportunities to play an active role. (This includes the risk of loss of work experience opportunities due to biases such as not allowing women to carry drugs or heavy loads that women cannot handle.) • Risk that the image of the industry will not be improved, resulting in fewer opportunities for women to be active in the industry. (not excluding the characteristics of the industry, but due to lack of awareness of role models and lack of image of women working through life time events) → • The possibility that gender bias may affect career development (e.g., work selection, opportunities for promotion and advancement, etc.) • Possible lack of equal promotion in terms of diversity (change in the ratio of attributes at the time of entry into the company and the ratio of promotion to leadership positions) • The evaluation standard that emphasizes the length of working hours rather than productivity, resulting in loss of career advancement opportunities for employees whose working hours are limited due to childcare or nursing care. • Workload imbalance due to differences in work style (remote/on-call) • Insufficient care for overseas employees in terms of their daily lives 	L	L	L	L	L
Child Labor	(1) Minimum age (2) Young workers	<ul style="list-style-type: none"> ① Possible employment of children in the supply chain in developing countries (subcontracting work, etc.) and mediation of children by brokers. ① Asian workers may apply for employment by falsifying their age ② Possible risk of having them engage in night work or hazardous work ①② Increased physical and mental strain and loss of learning opportunities due to domestic work on behalf of parents (young caregivers) ①② When using outside services for events, etc., young people may be working there and may unintentionally contribute to child labor ① Risk of children being involved in inside work of parts manufacturing 	L	L	L	L	L
Force Labor	Employment Compulsory Overtime	<ul style="list-style-type: none"> • Migrant workers (including foreign nationals and domestic migrants) may be required to pay excessive recruitment costs and keep identification documents (passports, etc.) when hired. • Migrant workers may be forced to work due to language barriers. • Long working hours due to excessive quotas may become de facto forced labor • Possible negative impact on stakeholders in the material production process 	L	L	L	L	L
Freedom of Association		<ul style="list-style-type: none"> • Possible lack of dialogue and communication with workers' representatives, labor unions, etc. • There is a risk that labor-management consultations and collective bargaining may not be sufficiently institutionalized and operated. In addition, although the right to collective bargaining is recognized, there is a risk that negotiations are not actually taking place. • Labor unions are not protecting employees (labor unions may not be protecting employees and may not be fulfilling their roles as they should). → Labor-management consultations and collective bargaining are not well institutionalized and managed → Risks due to the fact that the right to collective bargaining is recognized but not effectively exercised • Risk that workers' rights are not adequately secured in the union store system • Risk that workers' rights are not adequately secured in countries or regions where trade union formation or activities are prohibited (including cases where they are prohibited in substance) • Risk of impeding the freedom of association of foreign workers • Risk that company-based unions in Japan are the main negotiating parties with the company and have more influence than industrial trade unions. • Risk that workers' rights are not secured in delivery, retail, etc. 	L	L	L	L	L

Community	Resources/Community	Use of Natural Resources	<ul style="list-style-type: none"> The development, design, distribution, and sale of products that have a high environmental impact (high electricity use, difficult to recycle) may lead to excessive extraction of resources (upstream supply chain). Risk of contributing to environmental destruction and human rights violations by using energy and resources that are assumed to have a low environmental impact when in fact they are actually high. → Possibility of contributing to environmental destruction and human rights violations by using energy and resources that are assumed to have a low environmental impact when in fact they have a high environmental impact. Possible negative impact on local communities through the use of renewable energy and biomass resources (environmental impact from power plants and deforestation caused by the use of palm oil) Possible negative impact on the global environment when processing solar panels → Fear of consuming huge amount of resources when constructing, operating, and renewing power generation facilities for renewable energies Possible negative impact on the environment when manufacturing environmentally friendly products Potential to harm the lives and health of local residents in the vicinity of the production site, as well as water and land abuse, pollution, and resource depletion at the factory and local construction sites [buy/build/discard]. Possible destruction of forests and marine ecosystems due to the procurement of raw materials Destruction of local ecosystems due to construction and operation of business sites Risk of continued adverse effects on the global environment due to failure to review the environmental impact of business operations → Destruction of forest and marine ecosystems, overuse of land and resources, and adverse impacts on local communities resulting from business activities such as construction and operation of business sites and procurement of raw materials Possible increase of local water burden in overseas manufacturing (virtual water problem) Possible hoarding of natural energy by a few dominant companies Possible child labor and forced labor in rare metal mining sites due to shortage of semiconductors Increased take-out may lead to a sharp increase in waste. Lack of automation of car wash machines and dishwashers may increase water consumption. → Waste of resources due to lack of capital investment 	✓	✓	✓	✓	✓	✓
		Climate Change	<ul style="list-style-type: none"> May increase the risk of disease due to global warming Risk of negative impact on local communities from the use of renewable energy and biomass resources (wood pellets, etc.) (environmental impact from power plants, increased deforestation from the use of palm oil) => Risk of having to be careful Possible huge power consumption due to the use of virtual currency in circulation 						
		Disposal	<ul style="list-style-type: none"> Risk of generating microplastics through business activities Risk of low recycling rate, although waste is sorted. → Risk of inadequate waste segregation hindering effective use of resources Risk that subsidiaries or suppliers do not recycle or manage waste as instructed. Risk of unauthorized disposal of waste (valuable resources) by suppliers Risk of improper disposal by suppliers or end consumers (e.g., ocean plastic issues, increased processes at waste treatment facilities) Risk of inappropriate disposal during renewal or closure of renewable energy generation facilities 	✓	✓	✓	✓	✓	✓
Safety	Payments to antisocial organizations	<ul style="list-style-type: none"> In the procurement of raw materials and disposal of products, there is a risk that funds, products, or services may flow to non-governmental forces or armed groups (e.g., conflict minerals). In the procurement of labor, a portion of wages may flow to anti-social organizations or armed groups (e.g., technical intern trainees) Landmines, etc., may be placed in conflict countries, affecting logistics 	✓						✓
		Access to Land	Ownership to land	<ul style="list-style-type: none"> Risk of forcible displacement of indigenous and local residents when acquiring land for business Land value may be damaged due to construction and operation of the project site. There is a risk of health hazards to indigenous and local residents due to the spread and infection of viruses caused by land reclamation. Risk of leaving unused solar panels unattended due to bankruptcy of the operator, etc. Use of the land without considering its resistance, adaptability, and change over time may result in threats to the livelihood of local residents. Potential for land use to negatively impact the environment and nearby ecosystems (availability of available water, animal habitat, etc.) 	✓	✓			
Society and Government	Bribery and Corruption	<ul style="list-style-type: none"> Risk of being involved in bribery and corruption, especially when obtaining permits and licenses, such as Facility Payments Bribery at the time of contracting, industry customs, conformity (in terms of business/operating style), and complicity in corrupt practices when receiving orders for government projects. Risk that foreign companies with which we have alliances or investments may be complicit with the military regime as a result of their donations to the military regime Risk of corruption such as bribes in order to keep logistics uninterrupted 	✓	✓	✓	✓	✓	✓	✓
		Relationship with Government	Relationships with countries with high human rights risks	<ul style="list-style-type: none"> Risk of complicity in human rights abuses when operating in countries or regions where there is a gap between local laws and customs and international standards When using airports in countries with military regimes, etc., there is a risk of paying royalties to the military regime and consequently being complicit in human rights abuses. Risks associated with the assumption that Japan does not have high human rights risks or that there is no or little discrimination in Japan Doing business in a country with human rights risks may benefit the country with human rights risks and have a negative impact on the nationals of the country and other nationals or ethnic groups with which Japan is in conflict. Risk that the human rights risk to which you have contributed may lead to boycotts or downsizing of your business, which may prevent you from providing products and services to customers (impact on stakeholder relations and human resources) Possible complicity in human rights abuses through activities without a proper understanding of the history (aggression, persecution, etc.) of the countries in which the company does business or does business. 	✓	✓	✓	✓	✓
Relationship with Consumers	Health, Safety, Privacy, Accessibility	<ul style="list-style-type: none"> Risk of damage to the life, health, or property of consumers as a result of failure of products or services provided to customers, inappropriate marketing activities, or failure to properly disclose information. Inappropriate advertisements or information dissemination may cause discomfort or false perceptions among consumers, promote discrimination or prejudice, or cause health hazards due to false perceptions. Risk of infringement of human rights of individuals due to inappropriate management of personal information obtained in the course of business processes. When human rights are violated, specific measures are not taken and the damage may increase. → When human rights violations occur, there may be a delay in response, resulting in the escalation of damage. Various procedures will be mainly carried out using PCs and smartphones, and those who are not proficient in IT devices may be left behind. → The increasing use of online procedures and functions will promote IT disparity. Product services that lack consideration for diversity may make access difficult for the socially vulnerable. Possible inaccessibility of infrastructure necessary for daily life for foreign residents due to lack of multilingualization of various procedures → Lack of multilingualization of various procedures may prevent foreigners from accessing infrastructures necessary for daily life. Insufficient consideration for foreigners and children (e.g., child locks) may cause inconvenience or danger to consumers. → Insufficient consideration for product users (child locks, multilingual support, wheelchair accessibility, etc.), which may cause inconvenience or danger to consumers Lack of uniformity in industry standards for containers, etc. may lead to higher costs and increased waste. There is a risk of leakage of confidential information and infringement of copyrights due to the spread of AI technology. Health hazards due to chemical substances (VOCs, etc.) released from products Risk of products and services not reaching consumers due to withdrawal from business (in conflict countries, etc.) 	✓	✓	✓	✓	✓	✓	✓
		Others	Complicity	Use or Misuse for other purposes	<ul style="list-style-type: none"> Advanced functions of cameras may be used for voyeuristic photography or other sexual harm. Surveillance cameras may be used as equipment for forced labor Risk of criminal use of SNS Risk of illegal modification for diversion or misuse in weapons such as cars and drones Risk of stalking using IC tags Risk of consumers suffering damage such as explosion or harmful gas emission when transferring detergent, etc. to a container other than the dedicated container. (e.g., when alcohol disinfectant is put into a container that is not compatible with alcohol). Risk of using 3D printers to produce weapons or other items that infringe on human rights. Fear of counterfeit bills being manufactured by a scanner Risk of damage to the human body (including mental health) due to use for other than the intended purpose Leakage of personal or confidential information due to employee use of generated AI 				

Remedy	Access to Remedy	<ul style="list-style-type: none"> • Inadequate remedy contact points and processes may prevent human rights violations from being remedied. • Lack of monitoring by a third-party organization may not ensure the effectiveness of the remedy process. • Risk that reports will not be connected to the remedy process → • Effectiveness of the remedy process may not be ensured due to inadequate development of the remedy window and process, and insufficient monitoring by a third-party organization. • Possible lack of protection for whistleblowers • Risk that the current function may become a dead end. • Need to consider a remedy process that includes the supply chain, but currently it is not implemented. → • Development of a remedy process that includes the entire group and the supply chain. • Possible lack of recognition as a target of relief due to insufficient information dissemination (low absolute volume, lack of multilingual support, and business custom factors). • Insufficient information dissemination (low absolute volume, lack of multilingual support, business practice factors) may result in not being recognized as a person eligible for remedies. • There is a risk of not being able to consult with the person in charge of a matter that cannot be discussed with the person in charge, although the contact information of the person in charge of the delivery destination is known. → • There is a risk of limitation of users due to a lack of means of access to the relief desk and languages available. • Fear of not being able to inquire due to a lack of trust in the contact person (psychological safety assurance) • Possible disparity in relief for non-Japanese (due to language and cultural barriers) • The perpetrator who was punished by the report may reoccur the problem in another place. 	レ	レ	レ	レ	レ	レ	レ
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3.2 Manufacturing Industry (IT)

※ Value Chain of Manufacturing Industry

Creation: research, development, design Purchase: construction of facilities, procurement Production: manufacturing Operation: storage, logistics

Sell: sales and marketing Use: consumption, utilization, maintenance and servicing Discard: disposal and recycling

Human Rights Issues in the Manufacturing Industry(IT)		Specific Concerns	Value Chain					
			Creation	Buy	Produce	Transport	Sell	Use
Treatment in the Workplace	Labour Time and Wage	<ul style="list-style-type: none"> • Risk that the minimum wage is not in line with the local standard of living, leading to long working hours • Compensation for vacation and wages in the event that a child is forced to take an extended leave of absence due to sudden closure of school or school.(Risk of not being able to guarantee a proper place to work when parents cannot take leave) • Risk of overtime due to production adjustments (prioritizing delivery dates)*While there were requests for increased production of daily necessities due to the pandemic, there were also plans for rapid production cuts due to decreased demand. • Possible lack of proper working hour management ⇒ Separation of work and private life (self-reporting) • Possible lack of proper management of working hours for remote work (work-life balance) • Possible truncation of working hours (problem of rounding down fractions of working hours) • Possible failure to pay overtime wages in excess of the prescribed/legal working hours under the deemed working hours system (management of working hours) • Under the deemed overtime system, there is a risk that overtime is not paid even though the deemed overtime hours have been exceeded. • There is a possibility that proper compensation (wages) for work is not paid. Possible failure to pay for the proper compensation (wages) for the work. • Possible impact of wage disparity on children's future education • Risk of long working hours and reduced wages for subcontractors due to the transfer of increased raw material and energy costs to subcontractors as a result of geopolitical changes Overtime and long working hours, especially in Japan. Excessive labor by managers (middle management) • Inappropriate operation of discretionary labor system and deemed managerial positions • Disparity in working conditions and wages between group companies. Equal pay for equal work. • Possibility of long working hours due to old production facilities. • Possibility of not being able to live a life that meets basic needs (malnutrition, loss of educational opportunities for children, etc.) due to not being paid a living wage commensurate with the cost of living in the country or region where they reside. • Decline in living standards due to wage increases not keeping pace with rapid increases in food, energy, and other prices triggered by international conflicts 	レ	レ	レ	レ	レ	レ
	Health and Safety (i) Physical, hard (ii) Mental (iii) Health (iv) Education	<ul style="list-style-type: none"> ① Occupational accidents resulting in death or serious injury, especially in research, manufacturing, and factory sites [Creation/manufacturing]. ① Potential for occupational accidents while working at home (health hazards due to inadequate safety precautions and different working environments, disruption of the rhythm of life) ① Inadequate sanitary facilities (showers, toilets, etc.), inadequate living environment without minimum space, such as dormitory living with several people in one room, etc. (e.g., showers, toilets, etc.), inadequate sanitary facilities, establishment of dormitories on the factory premises, and management of dormitories locked from the outside may adversely affect employees' health. ① Health and safety standards do not conform to global standards. (emergency exits, evacuation drills, etc.) ① Work and private life may become blurred, resulting in a decrease in workers' private life. Safety of employees and accompanying family members in pandemic countries ① Ensuring the safety of employees engaged in work (at manufacturing sites) where telework is not allowed during a pandemic (i) - (iv) Possible infringement on the healthy life of children due to long working hours of their guardians ① Lack of working environment and care environment for pregnant and nursing mothers (handling of heavy items, handling of hazardous substances, etc., securing of nursing rooms and support for nursery schools, etc.) ① Lack of working environment and care environment for the elderly (handling of heavy objects, consideration for prevention of falls, etc.) ② Long working hours may lead to poor employee health care, especially mental health. ② Remote work may cause lack of communication and alienation or exclusion from the workplace. ② Risk of not being recognized as workers' compensation in case of injury or illness while working remotely ② Possible self-payment of increased utility costs associated with remote work (compensation for telecommuting allowance) ③ Illness progression due to lack of medical checkups ③ Progression of occupational disease due to lack or non-use of protective equipment such as finger sacks, gloves, masks, ear plugs, etc. ③ Permanent remote work and the accompanying risk of not having a long-term work environment (e.g., illness less than illness) ③ Possible inability of foreign workers to properly access medical care due to language barriers ③ Risk of increased heat stroke due to heat waves caused by rising temperatures resulting from climate change ③ Risk of increased risk of diseases due to various environmental changes caused by climate change ④ Treatment of foreign workers (especially language issues, such as guidance and awareness of health and safety aspects) ④ Lack of equal and fair opportunities for migrant workers in terms of education, employment, wages, living environment, etc. ④ Loss of educational opportunities for employees due to long working hours ④ Lack of educational opportunities due to differences in employment status, nationality, race, gender, age, educational background, length of service, etc. ④ Possible unconscious promotion of discrimination and false ideas, etc., due to an educational curriculum created with a biased bias by a generative AI. 	レ	レ	レ	レ	レ	レ
	Business/Supply Chain	Discrimination At time of hire/employment	<ul style="list-style-type: none"> • Likelihood of unequal treatment in terms of working conditions, training, and promotion • Discrimination against women and sexual minorities • Harassment (sexual harassment, power harassment, and remote harassment) • Customer harassment • Technology harassment (young and old) • SOGI (Sexual Orientation/Gender Identity) (some companies have renovated restrooms and locker rooms, and have stopped including gender on resumes) • Discrimination against nationality, race, religion, etc. • Discrimination against non-vaccinated persons (forced vaccination) • Discrimination against infected persons • Discrimination against workers may lead to discrimination against their children. • Discrimination against Russians may occur due to Russia's military invasion of Ukraine. • Fear that AI may read latent discrimination tendencies in humans through the data it learns (e.g., TMS) and encourage them. • Prediction of resignation and refusal of job offers by AI may lead to unequal treatment. • Worker privacy may be violated by AI monitoring of workers. • Workers' privacy may be violated by the company's management of workers' vital information (e.g., sleep information). • When AI is used for recruitment and personnel evaluation, there is a risk that the person in charge may not be able to make appropriate judgments and may unintentionally promote discrimination. • Technical intern trainees may be subjected to disadvantageous treatment, such as dismissal or return to their home countries, due to marriage, pregnancy, childbirth, etc. • Lack of recognition of maternity/paternity leave, shortened working hours, etc. for technical intern trainees • Unequal judgment may be made at the time of recruitment due to unconscious bias. • Risk of products and services not reaching consumers due to withdrawal from business (in countries in conflict, etc.) • Risk that corporate activities may lead to human rights violations due to a lack of ESG awareness among general employees (Due to the trend of the need to introduce the concept of ESG evaluation not only to directors but also to general employees, and to raise their awareness of the importance of ESG issues) • Risk that the working environment of in-house technical intern trainees can be confirmed, but the working environment of technical intern trainees employed by suppliers cannot be ascertained. • Risk of discrimination based on community affiliation (e.g., area of residence, area of employment, etc.) (Risk of discrimination based on the community to which the trainee belongs (e.g., area of residence, area of employment, etc.) (including the risk of loss of work experience opportunities due to biases such as not allowing women to handle chemicals or carry heavy loads). • Risk that the image of the industry will not be improved, resulting in fewer opportunities for women to be active in the industry. (not excusing the characteristics of the industry, but due to lack of awareness of role models and lack of image of women working through life time events) • Possible narrowing of job choices for the elderly (due to their advanced age) • Possible failure to maintain equal pay for equal work, as wages may decline even after reemployment of the elderly, even though the nature of their work remains unchanged. • Unemployment rate may increase due to the replacement of existing jobs by advances in AI • Lack of consideration for pregnant and nursing women may deprive women of opportunities to work and develop their careers. 	レ	レ	レ	レ	レ

Child Labor	Response to (1) Minimum age (2) Young workers	(i) There is a risk that children may be employed in the supply chain (subcontracting work, etc.) in developing countries, and that brokers may mediate the employment of children. (i) Asian workers may apply for employment by falsifying their age. (ii) Likelihood of having them engage in night work or hazardous work	✓	✓	✓	✓	✓	✓
	Employment	• Migrant workers (including foreign nationals and domestic migrants) may be required to pay excessive recruitment fees and keep identification documents (passports, etc.) when hired. • Risks of debt labor for foreign technical interns	✓	✓	✓	✓	✓	✓
	Compulsory Overtime	• Long working hours due to excessive quotas may become de facto forced labor • Possible negative impact on stakeholders in the material production process	✓	✓	✓	✓	✓	✓
Freedom of Association		• Possible lack of dialogue and communication with workers' representatives, labor unions, etc. • There is a risk that labor-management consultations and collective bargaining may not be sufficiently institutionalized and operated. In addition, although the right to collective bargaining is recognized, there is a risk that negotiations are not actually conducted. • Risk that workers' rights are not sufficiently secured in the union store system • The formation and activities of trade unions are prohibited (including cases where they are prohibited as a matter of substance). Likelihood that workers' rights are not adequately secured in the country or region Labor unions do not protect employees (in some cases, labor unions do not protect employees and do not fulfill their roles as they should). • Possible obstruction of freedom of association for foreign workers • In Japan, the main body for negotiations with the company is the company-based union, and there is a risk that it has more influence than industrial trade unions. • Risk that workers' rights are not secured in delivery, retail, etc.	✓	✓	✓	✓	✓	
Community	Resources/Community	Use of Natural Resources	• The development, design, distribution, and sale of environmentally hazardous products (high power consumption, low recycling) may lead to excessive extraction of resources (upstream supply chain). • There is also a risk of harm to the health and livelihood of local residents near production sites, as well as water and land abuse, pollution, and resource depletion at factories and local construction sites (buy/build/discard). • Use of energy and resources that are assumed to have a low environmental impact when in fact they have a high environmental impact, thereby contributing to environmental destruction and human rights abuses. • Possible negative impacts on local communities through the use of renewable energy and biomass resources.(environmental burden caused by power plants, and deforestation caused by the use of palm oil) • Inappropriate use or disposal by suppliers or end consumers (e.g., ocean plastic problems, increased processes at waste treatment facilities) • Possible huge power consumption due to the use of virtual currency in circulation • Possible destruction of forests and marine ecosystems due to procurement of raw materials • Destruction of local ecosystems due to construction and operation of business sites • Risk of continued adverse effects on the global environment due to failure to review the environmental impact of business operations • Possible negative environmental impacts of manufacturing environmentally friendly products • Possible purchase of natural energy by some dominant companies • Development and utilization of generative AI will require enormous amounts of energy, and the poor and other vulnerable groups in society may not have access to sufficient energy. • There is a risk of child labor and forced labor at rare metal mining sites due to the shortage of semiconductors. • Possible negative impact on the global environment during the processing of solar panels • Increase in take-out may lead to a sharp increase in waste • Increase in the use of local water in overseas production (virtual water problem) • Lack of automation in car wash machines, dishwashers, etc. may increase water consumption. • May increase the risk of disease due to global warming • Climate change may increase the number of refugees and people on welfare as more people lose their homes due to sea level rise and flooding due to climate change. • Water scarcity impacts due to climate change may undermine water access rights • Droughts due to climate change may reduce agricultural production and lead to food shortages	✓	✓	✓	✓	✓
		Disposal	• Risk of generating microplastics through business activities • Risk of low recycling rate, although garbage is sorted • Risk of consuming seafood only and contributing to the increase of marine plastic litter as a result.	✓	✓	✓	✓	✓
	Security	Payments to Anti-Social Organizations	• In the procurement of raw materials and disposal of products, there is a risk that funds, products, or services may flow to non-governmental forces or armed groups (e.g., conflict minerals) • A portion of wages in the procurement of labor may flow to anti-social organizations or armed groups (e.g., technical interns). • Landmines and other landmines may be placed in conflict countries, affecting logistics • Possible increase in crimes due to misuse of generated AI (misinformation through fake news, fraud, defamation, copyright infringement, etc.)	✓	✓	✓	✓	✓
Access to Land	Ownership to land	• Risk of forcible displacement of indigenous and local residents when acquiring land for business • Land value may be damaged due to construction and operation of the project site. • There is a risk of health hazards to indigenous and local residents due to the spread of viruses and infection caused by land reclamation. • There is a risk of environmental destruction due to the clearing of mountains and installation of solar panels. • There is a risk that unused solar panels will be left unattended due to bankruptcy of the operator, etc. • Use of land without considering its resistance, adaptability, and change over time may result in threats to the livelihood of local residents.(e.g., mudslides in Atami) • Mining of rare metals, gold, etc. may pollute the environment of the surrounding area and cause damage to local residents.	✓	✓	✓	✓	✓	
Society and Government	Relationships with Government	Bribery and Corruption	• Risk of being involved in bribery and corruption, especially when obtaining permits and licenses, such as Facility Payments • Bribery at the time of contracting, industry customs, conformity (in terms of business/operating style), and complicity in corrupt practices when receiving orders for government projects. • Risk that foreign companies with which we have alliances or investments may be complicit with the military regime as a result of their donations to the military regime • Risk of corruption such as bribes in order to keep logistics uninterrupted	✓	✓	✓	✓	✓
		Relationships with countries with high human rights risks	• Risk of complicity in human rights abuses when operating in countries or regions where there is a gap between local laws and customs and international standards • Risk of paying royalties to military regimes when using airports in countries with military regimes, etc., and consequently being complicit in human rights abuses • Risks associated with the assumption that Japan does not have a high human rights risk. • Likelihood of indirectly contributing to human rights abuses (forced labor, ethnic discrimination, increased refugee populations, and other community impacts) through transactions with companies and suppliers in conflict areas	✓	✓	✓	✓	✓
Others	Relationships with Consumer	Health, Safety, and Personal Data Protection	• Risk of damage to the life, health, or property of the consumer due to failure of the product or service provided to the customer, inappropriate marketing activities, or failure to properly disclose information. • Failure to properly manage personal information obtained in the course of business processes may result in the infringement of individual human rights. • When personal human rights are infringed, specific measures are not taken and the damage may spread. • Risk of causing discomfort or false perceptions among consumers due to inappropriate advertisements or information dissemination; promotion of discrimination and prejudice; and health hazards due to false perceptions. • Inadequate diversity considerations in products and services may make it difficult for vulnerable groups to access them. • Possible risks that people who cannot use IT devices will be left behind as PCs and smart phones become the mainstream for various procedures. • Lack of multilingualization of various procedures may prevent foreigners from accessing infrastructure necessary for daily life. • Risk of discriminatory judgments in credit management systems incorporating AI (through erroneous or unbiased machine learning) • Risk of invasion of privacy and copyright/trademark infringement through the use of generated AI	✓	✓	✓	✓	✓
		Complicity	Use or misuse for other purposes	• The possibility that surveillance cameras, etc. may be used as equipment for forced labor, or used for voyeuristic photography or other sexual harm • Risk of criminal use through social networking sites • Risk of illegal modification for illegal use or misuse • May be used for stalking using IC tags • Risk of consumers suffering damage such as explosion or harmful gas emission when transferring detergent, etc. to a container other than the dedicated container.(e.g., when alcohol disinfectant is put into a container that is not compatible with alcohol). • Risk of using 3D printers to produce weapons or other items that infringe on human rights. • Fear of counterfeit bills being manufactured by a scanner • Advanced camera functions may be used for voyeuristic photography or other sexual harm	✓	✓	✓	✓

	Remedy	Building a Remedy Process	<ul style="list-style-type: none"> • Inadequate remedy window and process may prevent human rights violations from being remedied. • Lack of monitoring by a third-party organization may not ensure the effectiveness of the remedy process. • Risk that the whistleblower will not be connected to the remedy process • The whistleblower may not be protected. • Possible disorganization of current functions • It is necessary to consider a remedy process that includes the supply chain, but currently it is not implemented. • Possible lack of recognition as a target of relief due to insufficient information dissemination (low absolute volume, lack of multilingual support, business practice factors) • Insufficient information dissemination (low absolute volume, lack of multilingual support, and business practice factors) may result in not being recognized as a relief recipient. • There is a risk of not being able to consult with the contact person in charge of the delivery destination when the contents of the inquiry cannot be discussed with the person in charge, although the contact information of the person in charge of the delivery destination is known. • Risk of not being able to make inquiries due to lack of trust in the consultation service (psychological safety assurance) • The use of biased and trained AIs in the grievance mechanism process may induce inappropriate handling (e.g., not leading to fair remedies) 	レ	レ	レ	レ	レ	レ
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3.3 Chemical and Building Materials Industry

This table is a summary of the value chain that is generally considered to exist in the industry, and individual companies need to consider their own specific products and services.

*Each value chain item includes not only the company itself but also contractors and cooperating companies that outsource manufacturing, logistics, services, etc. at each stage of the value chain. (This also includes contractors that come in and out of offices and

Human rights issues of importance in the chemical and building materials industries		Specific Concerns	Value Chain								
			Research	Development	Procure	Manufacturing	Logistics	Sales	Use	Reuse/Recycle	Disposal
Workplace Treatment	Working Hours	<ul style="list-style-type: none"> Concerns that changes in international conditions (e.g., the situation in Ukraine) may affect the global supply chain, resulting in short delivery times for orders, etc., which may lead to overtime work, or concerns that overtime work is occurring on a regular basis and that it is difficult to take countermeasures to improve the situation. Concerns that working hour management according to different working conditions in different countries/regions is not sufficiently thorough and well understood. Concerns that, if there is a gap between international norms and national laws, compliance with the laws of countries that allow longer working hours than international norms may lead to health hazards for workers. 	✓	✓	✓	✓	✓	✓	✓	✓	
	Health and Safety	<ul style="list-style-type: none"> Concerns about the negative impact on people in the work environment and in the vicinity of the manufacturing site as a manufacturer that uses hazardous substances (chemicals, etc.) or performs many hazardous operations at high altitudes, high temperatures, high pressure, or between hazardous substances, etc. Concerns that accidents during the transportation of hazardous substances may cause health hazards to the people involved and those living near the site. Concerns that insufficient information on chemical substances provided by suppliers may cause health hazards to their own employees and end consumers. Concerns that outsourcing human safety and functionality testing may lead to human rights issues if the outsourced company has weak ethical standards. If there is a gap between international norms (e.g., ILO Core Labor Standards) and the laws of each country, there is concern that compliance with the laws of countries that allow longer working hours than international norms may lead to health hazards for workers. 	✓	✓	✓	✓	✓	✓	✓	✓	
	Disciplinary Action	<ul style="list-style-type: none"> Concerns that suppliers are formulating disciplinary action policies that are not in line with local customs, which differ from country to country and region to region. Concerns that suppliers do not have a clear understanding of the actual disciplinary actions taken by their suppliers and are not encouraged to make necessary improvements, given the different practices in each country/region. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Wages	<p>The following are of particular concern at suppliers, contractors, etc:</p> <ol style="list-style-type: none"> Appropriate wages are not being paid commensurate with working hours. The actual status of wages paid to foreign technical intern trainees has not been grasped. Delayed or unpaid payments to workers due to turmoil in the financial market affected by the international situation (turmoil caused by the Ukraine issue) Wages are not set in line with price increases and living wages (wages necessary to maintain an adequate standard of living) are not being paid. Failure to pay proper compensation to subcontractors and suppliers, resulting in failure to pay proper living wages at subcontractors and suppliers 	✓	✓	✓	✓	✓	✓	✓	✓	
Businesses / Supply Chain	Hiring & Time of Employment	<ul style="list-style-type: none"> Concerns that the company is not adequately addressing the elimination of discrimination in the workplace on a global basis, as major cases of harassment vary by region/period (e.g., discrimination against certain ethnic and sexual minorities, power harassment). Insufficient education and awareness-raising may lead to unwanted outings and human rights violations. Concerns that the working environment for foreign workers with disabilities or those who do not understand Japanese is not being maintained, which may lead to human rights issues. Concerns that respect for employee privacy and reliable protection of personal information is not being achieved in the face of tightening of personal information management and regulations in various countries (EU, China, etc.) and the trend toward tightening such regulations in Japan. Concerns that employees will be categorized (by gender, sexual orientation, gender identity, age, nationality, language, etc.) based on unconscious bias, and that they will be deprived of work opportunities, promotions, and advancement opportunities in the positions of their choice. Concerns about discrimination against specific racial groups in response to international situations. Concerns that workers may be subjected to unfair and discriminatory treatment for reasons such as illness and pregnancy without stating objectively valid criteria. 	✓	✓	✓	✓	✓	✓	✓	✓	
	Layoffs and dismissals	<ul style="list-style-type: none"> In the case of foreign technical intern trainees and dispatched workers who are difficult to reassign, there is a fear that illness or pregnancy will be used as a determining factor without objectively valid criteria being clearly stated, and that the implementation will not be based on sufficient communication. Concerns about unexpected loss of employment when it is difficult to change assignments due to withdrawal from a business. Concerns about termination of employment when it becomes difficult to change work locations due to changes in life stages. Concerns about unexpected loss of employment in employment status that is considered particularly vulnerable in the value chain (e.g., non-regular workers, contractors, etc.) due to changes in the business environment 	✓	✓	✓	✓	✓	✓	✓	✓	
	Minimum age/employment of young workers under 18	<ul style="list-style-type: none"> Concerns that the risks are not fully understood by Tier 2 and 3 suppliers and beyond as the supply chain becomes more complex and globalized. There is a difference between local and international laws regarding the concept of the standard age, and we are concerned that we are not able to follow up appropriately on a regional basis. Concerns that young people may be engaged in labor due to inadequate measures against impersonation, such as age verification, when operating in countries with a high risk of child labor. Concern that children may be employed in the supply chain (subcontracted work, etc.) in developing countries, and that brokers may be mediating for children. Possible risk of Asian workers applying for employment by falsifying their age. Possible risk of having them engage in night work or hazardous work 	✓	✓	✓	✓	✓	✓	✓	✓	

3.4 Food and beverage industry

Human rights issues in the food and beverage industry			Specific Concerns	Value Chain					
	Risk Area			R&D	Procurement	Manufacturing	Logistics	Sales	Consume
Treatment in the Workplace	Working Hours	Global	<ul style="list-style-type: none"> Long working hours may occur in all operations, including the company's own/contractor's manufacturing plants (suppliers) and logistics drivers. During periods when production is concentrated, such as seasonal production, there is a risk of restrictive work hours in order to meet delivery deadlines. The increase in teleworking due to changes in work styles may lead to problems in working hour management (service overtime). Fear of affecting employees' families due to long working hours. Fear of chronically exceeding the prescribed working hours due to staffing based on the assumption of overtime work Concerns about the worsening of labor shortages due to infectious diseases, wars, etc., and the resulting increase in employee working hours. Poverty and declining incomes due to increased unemployment and drastic reductions in working hours as a result of progress in AI and automation There is a risk that real wages will decline due to rising prices. An aging society, etc., may lead to a shortage of workers and an increased burden on individual workers. Fear of human rights violations due to a global pandemic of infectious diseases (significant reduction in working hours, wage reductions, unemployment, personnel shortages and increased individual workload, increased psychological burden on employees forced to come to work, communication failures and increased psychological burden in remote environments, increased burden of child-rearing (school closures, increased online classes, etc.) 	✓	✓	✓	✓	✓	✓
	Wages	Global	<ul style="list-style-type: none"> Wage levels are not in line with local living standards. Wages are not justified under the piece-rate wage system (e.g., palm oil plantations, or fishing grounds). There is a risk that workers will not be paid fair wages due to lack of fair trade. In addition, it will lead to loss of corporate image through media reports, etc. There is a risk that wages for foreign workers may not meet the minimum standard of living or that housing may not be adequate. Ensuring wages commensurate with working hours (compliance with laws and regulations in each country) Wages are not guaranteed due to factory shutdowns, lockdowns, etc., as a result of global infectious disease outbreaks. There is a risk that overtime hours will be capped and overtime wages will not be paid in spite of overtime work. 						
		Japan	<ul style="list-style-type: none"> Wages differ depending on the type of employment, even though the work is the same. Wages are below the standard of living. Foreign workers and technical intern trainees are treated unfairly, such as unfairly low wages, termination of employment, and other disadvantageous treatment. Wages of technical intern trainees may be used for disputes in their home countries. Unfair low wages, suspension of employment, or other disadvantageous treatment of dispatched workers, even Japanese workers. Unreasonable deductions from wages (e.g., toilet charges, etc.) not specified in advance and not recorded on the payroll records. Inability to raise wages due to inability to pass on price hikes in raw material prices. Foreign workers: Unemployment due to production stoppages, substantial decrease in remittances to home country due to yen depreciation, and decrease in attractiveness of work in Japan Potential deterioration of working and wage environment at suppliers not chosen Discrepancy with international standards in guaranteeing living wages to suppliers Difference in take-home pay between urban and rural areas due to rent collection levels for foreign workers being the same in urban and rural areas The price of raw materials soars, so the company has no choice but to pass on the higher prices, which increases the workload and mental stress of negotiating price revisions and replacing raw materials. Stressed livelihoods due to soaring prices (while wages do not increase) Risk of gender wage gap due to gender bias Risk of failure to clearly state working conditions in a manner that foreign workers can understand 	✓	✓	✓	✓	✓	✓
	Health and Safety	Global	<ul style="list-style-type: none"> Hazardous work in product manufacturing (including raw material procurement) and R&D processes, handling of chemicals including pesticides, inadequate response to industrial accidents and overwork, and postings to countries and regions with deteriorating security due to political instability, etc., may threaten the health and safety of employees/workers (also from the perspective of employees = persons with disabilities). Insufficient support for various cultures and diversity, such as color barrier-free (consideration for use of colors) to reduce risk, direction of door opening and closing, language signage for foreign workers, consideration for LGBTQ-related restrooms and locker rooms, and support for heavy muscle work through the use of assistive devices, etc. The workload at distribution centers is heavy (unloading containers, working in freezers, etc.), which puts more pressure on those who are in a weaker position, and furthermore, there is a possibility that health considerations are insufficient. Insufficient support for foreign workers in terms of medical care, food, clothing, shelter, and mental health. Insufficient prevention of infection in the workplace (not only COVID-19 but also other diseases and infections) Insufficient infection prevention measures for children, fear of parents abusing or neglecting their children due to the global pandemic of infectious diseases Insufficient medical checkups for all employees and no corporate action based on the results (Japan) Difficulty in securing work space in offices as a result of relocating offices and reducing the number of seats due to the telecommuting system and free-address system. (Japan) As a result of the telecommuting system and the shift to a free address system, the number of seats has been reduced and the number of offices has been relocated. (Influenced by the global pandemic of infectious diseases): Increased telecommuting (hindrance to business progress, stress), mental health problems due to reduced communication due to limited outings, and deterioration of employee health and safety, such as poor physical condition due to lack of exercise. Risk of infection during commuting and work for workers who cannot telework, such as those in factories (during a global pandemic of infectious diseases). Safety and health risks for older workers (Health and safety added to ILO core standards) Lack of awareness and delay in response to health and safety issues by companies, which may threaten the health and safety of employees. Lack of education and training opportunities for night workers, short-time workers, and temporary workers may jeopardize health and safety. Risk of threats to the health and safety of employees due to rising costs of raw materials and energy Lack of clear indication of evacuation routes, nearest evacuation sites of dormitories, etc. in a language that foreign workers can understand. Inadequate evacuation drills at workplaces (especially for night workers, short-time workers, and temporary workers) Restrictions on eating (raw oysters, bivalves, etc.) due to hygiene control such as norovirus prevention may lead to infringement of rights. Mental illness due to lack of anti-harassment measures Insufficient training and support for occupational health and safety for suppliers may result in occupational accidents. Failure to conduct evacuation and firefighting drills once after the start of dormitory use and once every six months could have a serious impact in the event of a disaster. (Domestic) Failure to provide health guidance and health counseling to foreign workers by utilizing industrial physicians, health managers, etc., may result in omissions of symptom predictions and may encourage worsening of health conditions. 	✓	✓	✓	✓	✓	✓
Disciplinary Action	Global	<ul style="list-style-type: none"> Insufficient compliance with the implementation of punishment for harassers. Insufficient enforcement of appropriate punishment due to lack of internal awareness of laws, regulations, and work rules. The company may face international criticism for conducting pay reductions as a disciplinary measure prohibited by international standards. 	✓	✓	✓	✓	✓	✓	

Discrimination	At Employment	Global	<ul style="list-style-type: none"> • Risk of discrimination in hiring based on race, gender, religion, region, LGBTQ, SOGI, disability, ethnicity, creed, medical history (HIV, etc.), caregiving, fertility treatment, childcare, etc. • The risk of debt service, which is in effect debt work owed to sending agencies, such as recruiting fees and payments to foreign language institutions. There is also a domestic problem of hiring without realizing the background. • The risk of working under inappropriate conditions due to the lack of working conditions presented at the time of hiring in a language that foreign workers can understand. • Risk of repeated discrimination due to complicity in reproduction of bias caused by unconscious bias and lack of recognition • Risk of unequal treatment in hiring decisions, resignation predictions, and declination predictions by AI 	✓	✓	✓	✓	✓	✓
	At Work	Global	<ul style="list-style-type: none"> • Likelihood that workers (including foreign employees, workers with disabilities, and temporary employees) will receive inadequate safety training and unequal treatment • Likelihood that workers will be forced into unstable forms of employment. • Discrimination based on employment status (e.g., lack of training opportunities, denial of participation in meetings, etc.) • Harassment (sexual harassment/power harassment/maternal harassment/soggy harassment, etc.) from/to/by business partners/within the company • Lack of working environment for people with disabilities • Lack of LGBTQ-friendly facilities (restrooms, changing rooms, etc.) • Insufficient LGBTQ-friendly facilities (restrooms, lockers, etc.) • Incidence of harassment invisible to others due to increase in teleworking • Possible unequal treatment due to reassignment by AI • Fear of human rights violations due to the global pandemic of infectious diseases (harassment and discrimination against infected people and their families, • Discrimination based on vaccination history, invasion of privacy, restrictions on work duties) 						
		Japan	<ul style="list-style-type: none"> • The manuals must be multi-lingual and multi-religious, and consideration must be given to the working environment, and there is a risk of discrimination due to differences in nationality and religion. • Discrimination and harassment of foreign technical intern trainees by receiving companies • Insufficient quality/quantity of education and training for foreign technical intern trainees • Inadequate quality and quantity of education and training for foreign technical intern trainees. • Need for consideration of prayer rooms, hijab, etiquette of each country, and foodstuffs (pork, beef, etc.) that can be consumed. • Lack of direct communication by Japanese to foreign workers (too much dependence on interpreters) • Lack of uniformity in the concept of time management • The pros and cons of having men and women live in the same room based solely on gender. • There is a risk of forced vaccinations during a global pandemic of an infectious disease. • The burden of work (miscellaneous duties) on young people • Stress due to individual differences in COVID-19 measures • Failure to create an environment conducive to smooth communication in the workplace, such as multilingualization of company rules and other documents, and the risk that necessary information may not be conveyed. • Lack of Japanese language education and support for foreign workers to deepen their understanding of Japanese lifestyle, culture, customs, employment practices, etc., which may prevent them from improving their Japanese language and daily life skills. • Lack of opportunities for foreign workers to participate in local community events and activities, which may lead to estrangement from local and neighboring residents. • Lack of support necessary for foreign workers to lead a secure daily or social life in the area where they live, and the possibility of being left behind in the event of a disaster, accident, or other unforeseen event. • Failure to promote understanding of the diversity of Japanese workers and foreign workers, which may lead to deterioration of the relationship between them. • Failure to provide opportunities to learn Japanese to employed foreign nationals and their family members, which may isolate the family 	✓	✓	✓	✓	✓	✓
	Evaluation Treatment Dismissal	Global	<ul style="list-style-type: none"> • Discrimination in evaluation and treatment based on race, gender, religion, region, LGBTQ, SOGI, disability, ethnicity, creed, medical history (HIV, etc.), nursing care, infertility treatment, childcare, etc. • Lack of support for foreign workers and their families in their daily lives, and isolation in the local community • Delay in promotion and salary increase due to unfair evaluation of foreign workers • Pushing high-risk jobs to those who are in a weak labor position • Discrepancies between the contract and treatment of employees (including technical intern trainees) • Forcing employees and suppliers to purchase the company's products (quotas) to make a difference in evaluations and transactions • Fear of human rights violations due to the global pandemic of infectious diseases (due to decreased demand, unfair dismissal of those in vulnerable labor contract positions such as non-regular employees, and unguaranteed wages when the factory is not operating) 						
		Japan	<ul style="list-style-type: none"> • Lack of female managers, delay in barrier-free access, and possible undermining of job satisfaction for people with disabilities. • Appropriate implementation of promotions and salary increases based on evaluations for foreign technical intern trainees. Lack of communication creates isolation, and evaluations and treatment that are worth working for are not made. • Appropriate evaluations are not made due to seniority-based evaluations. • There is a difference in treatment between new graduates and mid-career hires. • Lack of consideration for male employees in expanding the system for women. • Lack of consideration for male employees, etc., when expanding the system for female employees. • Unreasonable evaluations and treatment (evaluations are based on personal likes/dislikes, regardless of results). • Nationality-based divergence of managers (not only for women) • Possible deterioration of the employment environment and maintenance of an appropriate evaluation and treatment system due to the rising cost of raw materials and energy. 	✓	✓	✓	✓	✓	✓
	Child Labor	Global	<ul style="list-style-type: none"> • Fear of child labor under the minimum age for employment, fear of identity forgery • Fear of children losing their right to education and suffering physical and mental damage • Increase in child labor due to the increase in the number of poor people caused by widening disparities due to the global pandemic of infectious diseases • Confirmation that there is no child labor in upstream suppliers (secondary and tertiary), especially in developing countries • Child labor in family business environment • Child talent working late at night during filming of (domestic) commercials • Possible involvement in forced labor (child labor) due to use of non-certified palm oil raw materials 	✓	✓	✓	✓	✓	✓
	Employment of young workers under 18 years of age	Global	<ul style="list-style-type: none"> • Night work, engaging in hazardous work, ID forgery • Lack of awareness of possible domestic risks as hazardous labor for those under 18 years of age (there are some manifestations that have made the news). • In some cases, young people under the age of 18 are involved as domestic labor in small-scale agricultural producers. 	✓	✓	✓	✓	✓	✓
	Forced labor	Overseas	<ul style="list-style-type: none"> • Forced labor for migrant workers • Inhumane treatment of illegal immigrants • Slave labor in agriculture, forestry, and fishery procurement processes (working environment at fishery work sites) • Slave labor in agriculture, forestry, and fisheries procurement processes (labor environment at fisheries workplaces) • Lack of labor contracts in the native language may lead to forced labor due to lack of understanding by foreign workers. • Possible behavioral restrictions due to company control of workers' ID cards, etc. • Disruption of supply chains may force suppliers to procure raw materials other than certified sustainable products, which may lead to the procurement of raw materials suspected of forced labor. 						
		Japan	<ul style="list-style-type: none"> • Exploitation of technical intern trainees (e.g., taking away their passports), engaging in hazardous labor, etc. • Slave labor in the agriculture, forestry, and fisheries procurement process (working environment at livestock farms in Japan) • Forced savings at the time of contract (employer keeps bank book and seal) • Possible difficulty for technical intern trainees to return home due to a global pandemic of infectious diseases. • Exploitation of foreign students, employment of fake foreign students (ostensibly studying in Japan but in reality coming to Japan to make a living), and the existence of temporary employment agencies that force foreign students to register and work in exchange for covering their tuition and fees. • Technical intern trainees may be forced into forced labor due to high fees charged to sending agencies and brokers in their home countries. 	✓	✓	✓	✓	✓	✓

Freedom of association and the right to collective bargaining	Measures not recognized by national law	Overseas	<ul style="list-style-type: none"> In countries where unions are not allowed, or where they are allowed but not applied as a matter of substance, there is a risk that freedom of association and the right to collective bargaining (in accordance with international law) may not be ensured. In countries with weak legal systems, even if freedom of association is recognized and there is a union in the company, the union does not fully function in reality due to "intimidation" on the part of the company. 	✓	✓	✓	✓	✓	✓	
		Japan	<ul style="list-style-type: none"> There is a risk that foreign technical intern trainees are not given sufficient explanations regarding freedom of association and the right to associate. There is a risk that foreign technical intern trainees are restricted or prohibited from joining labor unions. 							
Access to Remedy		Global	<ul style="list-style-type: none"> Grievance support as a relief window is needed throughout the value chain. For consumption, it is necessary to have a customer service center and a 24-hour, multilingual printing service. It is necessary to establish not only an internal reporting system, but also a complaint handling mechanism that is open to the outside world. There is a possibility that access to the hotline is insufficient (e.g., employees do not know about it, the system is difficult to use, it is not resolved, etc.). Even if multilingual support is available, there is a risk that complaints and consultations will be ignored or put off due to the cumbersome nature of the response. Even if a multilingual response is available, there is a risk that complaints and consultations may be ignored or put off because of the tedious nature of the response. The consultation method and the author in charge of each method may not be well known internally and externally, and the legitimacy of the consultation may not be ensured. The system may not be accessible to everyone in all languages and by all means, and its accessibility may not be ensured. The "relief window" may not be clearly identified as a "human rights" contact point, and its accessibility may not be ensured. The availability of the system may not be ensured due to a lack of disclosure of measures to prevent retaliation. The process of response (including escalation methods) may not be disclosed, and predictability may not be ensured. The number of complaints and results (including corrective actions) may not be disclosed, and the availability may not be ensured. The number of complaints and results (including corrective processes) may not be disclosed, and transparency may not be ensured. The number of complaints and results (including corrective processes) are not disclosed, and transparency may not be ensured. The results of complaints are not analyzed and evaluated, and may not serve as a continuous source of learning. The company may not be a sustainable source of learning, as it does not approach those who are consulted (e.g., supervisors) or perpetrators (including potential perpetrators). The status of dialogue with stakeholders is not disclosed, and there is a risk that dialogue with management is not taking place. 	✓	✓	✓	✓	✓	✓	
Protection of Privacy		Japan	<ul style="list-style-type: none"> There is a risk of invasion of privacy, such as the use of data from surveillance cameras for food defense purposes. There is a risk of leakage of personal information due to lack of proper management of personal information. Risk of inadequate privacy due to, among other things, allocation of dormitory room sharing for technical intern trainees and inspection of dormitories by audits, etc., as well as infringement of rights due to unwilling consent due to ignorance of recognized rights The possibility of privacy infringement due to the system not being able to keep up with technological innovation such as AI and metaverse. Risk of using only AI analysis for personnel data and recruitment data, which can affect one's life. Increased risk of leakage due to multiple parties (employers (other than HR managers), supervisory bodies, sending organizations, etc.) managing personal information of foreign technical intern trainees. Arbitrary and discriminatory research results and marketing data are created and disclosed through big data analysis of personal information, etc. in an environment where data governance is not in place. 	✓	✓	✓	✓	✓	✓	
Community	Resources	Access to natural resources	Global	<ul style="list-style-type: none"> Large-scale agriculture, fisheries, and forestry industries from which raw materials are sourced may cause communities to face declines in production and fish catches. Livelihoods, traditions, local ecosystems (air pollution, soil contamination, pollution from waste and plastic waste, etc.), and access to water of local people and indigenous peoples may be affected. Risk of loss of food self-sufficiency due to mono-cropping (conversion to cash crops) Possible over-extraction of resources (upstream supply chain) through development of environmentally hazardous products (high electricity use, low recycling), product design, logistics, and sales. Generation of plastic waste due to containers and packaging that are difficult for consumers to sort and recycle. Environmental pollution of export destinations and health deterioration of residents due to export of waste plastics Possible increase in water stress due to increased water use throughout the supply chain, including increased planting of agricultural crops Concentrated purchase of resources in developed countries, resulting in food loss and starvation in the Global South, etc. Raw material procurement in conflict areas will become difficult, and product prices will rise due to higher raw material procurement prices, making purchasing difficult (geopolitical risk) Risk of consumers unintentionally contributing to an increase in plastic waste due to increased demand Risk of increased GHG emissions from increased consumption of livestock products (especially cattle), with negative environmental impacts 	✓	✓	✓	✓	✓	✓
		Climate Change	Global	<ul style="list-style-type: none"> Decrease in crop yields and changes in the crops that can be harvested due to global warming Natural disasters due to climate change may have negative impacts on livelihoods, employment, and vulnerable groups. Businesses will be forced to shut down due to droughts, etc., which will affect employment. Impacts on livelihoods due to climate change caused by the expansion of farmland and the resulting increase in natural disasters, etc. Increased demand for soybeans as an alternative protein food will lead to deforestation due to the expansion of farmland. Delayed reduction of food loss due to the lack of a food system, contributing to poverty inequality 	✓	✓	✓	✓	✓	✓
	Biodiversity	Global	<ul style="list-style-type: none"> Damage to biodiversity in oceans, river basins, and forests caused by large-scale agriculture, fishing, and forestry operations of raw material suppliers Biodiversity is damaged by promoting the purchase of certified sustainable products that do not give sufficient consideration to biodiversity (e.g., palm plantation operations). Deforestation and landscape damage due to large-scale introduction of solar power generation facilities 	✓	✓	✓				
	Community Impacts		Global	<ul style="list-style-type: none"> Negative impact on local community lifelines due to pollution (noise, vibration, odor, waste, etc.) associated with construction, operation, and R&D Infringement of access to evacuation centers in the event of a disaster Triggering of poverty due to price increases Violation of water access rights of local communities due to excessive water withdrawal by beverage and food factories Possible violation of stable diets due to lack of consideration for religious prohibitions (pork, beef, etc.) Fear of violation of human rights of local residents due to purchase of raw materials from countries involved in conflicts Insufficient livelihood support for the refugees, or instability in the local community due to the host country not being willing to accept the refugees. Advertisements that are common sense in one area may be perceived as discriminatory in another area (e.g., "whitening" is a value-added phrase in Japan, but may be perceived as discriminatory to black people). 	✓	✓	✓	✓	✓	✓
	Access to land	Land Ownership	Global	<ul style="list-style-type: none"> Possible disregard of the rights of local residents and indigenous groups that arise from land enclosure when constructing fields and other arable land, aquaculture ponds, factories and manufacturing operations, waste disposal sites, etc. 		✓	✓			✓
	Community Investment		Global	<ul style="list-style-type: none"> Possible decrease in employment in the surrounding area and decline in the local economy due to withdrawal of local factories and projects or suspension of business transactions. Possible loss of employment due to withdrawal of projects or suspension of trade due to geopolitical risks 	✓	✓	✓	✓	✓	✓
	Access to Remedy		Global	<ul style="list-style-type: none"> The factory should take into consideration and grievance not only at the time of employees, but also at the time of workers' home environment and family life. Possible failure to reach out to neighbors of factories and other business establishments for complaints and consultation. 	✓	✓	✓	✓	✓	✓
Society and Government	Relationships with society and government	Bribery and Corruption	Global	<ul style="list-style-type: none"> Bribes are demanded when acquiring land and permits for factory establishment and sales rights (sales license). Contributing to poverty inequality, delaying or hindering the resolution of issues. 	✓	✓	✓	✓	✓	
	Relationships with governments and companies that are slow to respond to human rights		Global	<ul style="list-style-type: none"> Human rights abuses such as human trafficking due to collusion between the sending organization and the government of the country Entering, operating, or procuring goods in a country that does not have laws and regulations concerning occupational safety Risk of being complicit in human rights abuses when conducting business in countries or regions where there is a gap between local laws and customs and international standards In countries with good information management controls, even audits by third-party organizations may be influenced by the authorities and may be far from the actual situation. There is a possibility that contractual bindings may be meaningless. Foreign currency of technical intern trainees may be used for disputes. 	✓	✓	✓			

Consumer	Health and Safety	Appropriate Information	Global	<ul style="list-style-type: none"> • Inappropriate labeling (ingredients, allergens, alcohol content, other misleading information, etc.) may cause health or religious problems among consumers. • Inappropriate marketing may lead consumers (especially minors and the elderly) to wrong eating behavior. (Health hazards due to excessive intake of specific ingredients) • Possible health hazards due to failure to warn, inducing alcohol and nicotine dependence • Possible health hazards, religious problems, etc. among foreign consumers in Japan due to the lack of language descriptions that can be understood. 	✓	✓	✓	✓	✓	✓
		Quality control	Global	<ul style="list-style-type: none"> • Insufficient quality control (storage conditions, sanitation, process control, transportation control, etc.) and employee sanitation education and training, which may be hazardous to consumers' health • Insufficient food defense measures to prevent intentional quality disruption. • Insufficient labeling and development of products that are easy to understand and use for people with disabilities. • Malicious data falsification in open platforms for food traceability using blockchain technology 	✓	✓	✓	✓	✓	✓
			Japan	<ul style="list-style-type: none"> • Potential for large amounts of food loss due to excessive quality control (e.g., zero defects, etc.) • Lack of uniform industry standards for containers, etc. and Japan's high requirements for containers and packaging may lead to higher costs and increased waste. 	✓	✓	✓	✓	✓	✓
		Responsible Disposal	Global	<ul style="list-style-type: none"> • Failure to properly dispose of waste (food residues, waste plastics, etc.) may lead to environmental degradation. • Child labor and forced labor in waste disposal operations • Food loss due to lack of consumer awareness • Food loss due to lack of consumer awareness • Possibility of expired food products being exported to third countries and causing health hazards • Continued use of virgin plastic in packaging materials may aggravate the waste problem. 	✓	✓	✓	✓	✓	✓
	Discrimination	Appropriate information provision	Global	<ul style="list-style-type: none"> • Fear of promoting discrimination through inappropriate advertising (TV, newspapers, magazines, Internet, billboards, etc.), campaigns (title, selection of prizes, target audience, etc.), product packaging, etc. • Fear of infringing on children's rights or creating stereotypes, reproduction of bias • Contribution to human rights violations in the supply chain by not ensuring traceability of raw materials, and limitation of consumer choice 	✓	✓	✓	✓	✓	✓
		Appropriate information collection	Global	<ul style="list-style-type: none"> • Lack of consideration for human rights when gathering marketing information, such as surveys, gives a discriminatory impression toward minorities. 	✓	✓	✓	✓	✓	✓
	Protection of Privacy		Global	<ul style="list-style-type: none"> • Leakage, storage management, information processing management, and information transfer management of personal information obtained through consumer campaigns, mail order, membership registration, etc. (also considering contractors) • Likelihood of privacy infringement due to the system not keeping up with technological innovation such as AI • Risk of information leakage due to internet environment, skimming, loss of devices, etc., as work becomes possible in various locations • Risk of personal information leakage from residual data when disposing of electronic devices (e.g., images from temperature cameras) 				✓	✓	✓

3.5 Pharmaceutical Industry

Human Rights Issues in the Pharmaceutical Industry		Specific Concerns	Value Chain							
			Research	Development	Purchasing	Production	Distribution	Sales	Consumption	Disposal
Businesses / Supply Chain	reatment in the Workplace	Working Hours	• Concentration of clinical trials of developed products, concentration of production due to new product approvals, increased production due to pandemic outbreaks, product recalls, etc. may result in long working hours. • Long working hours may occur due to excessive customer service • Insufficient labor management based on labor laws in each country/region may cause long working hours.	✓	✓	✓	✓	✓	✓	✓
		Wages	• Wage levels are not in line with local living standards • Lack of compliance with labor laws in each country/region may result in failure to pay appropriate wages for overtime work. • Unreasonable treatment (evaluation, low wages, etc.) of non-regular workers (including foreigners) and foreign technical intern trainees • Possible failure to realize equal pay for equal work	✓	✓	✓	✓	✓	✓	✓
		Employment	• The impact of single employee transfers on children's upbringing and family mental health.	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	• Hazardous work in R&D or manufacturing, handling of animals, cells, chemical compounds, or pharmaceuticals, and inadequate occupational health and safety (e.g., inadequate protective equipment, inadequate training, etc.) may impair the health or safety of employees. • Inadequate SDS may endanger the health and safety of employees and distributors. • Risk of health and safety hazards due to lack of understanding of instructions, signs, etc. by workers. • Health hazards (including mental health) may occur due to long working hours, expansion of remote work, isolation from society, etc.	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	• The health and safety of human subjects may not be adequately managed due to a lack of ethics in the Contract Research Organization during the clinical development phase of a pharmaceutical product. In addition, there is a risk of inappropriate involvement in clinical data.	✓	✓	✓	✓	✓	✓	✓
		Disciplinary Action	• Risk of unjust disciplinary action being taken by the company. • Risk of the rights of whistleblowers being undermined by unfair treatment due to the lack of a whistleblower system.	✓	✓	✓	✓	✓	✓	✓
		Excess Monitoring	• Excessive monitoring of employees and control of their working conditions	✓	✓	✓	✓	✓	✓	✓
	Discrimination	Employment	• Discrimination based on race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, disease, etc. • Discrimination may occur due to screening of specific groups by AI.	✓	✓	✓	✓	✓	✓	✓
		Time of Employment	• Risk of harassment (sexual harassment, power harassment, maternity harassment, SOGI harassment) • Discrimination based on race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, illness, employment status, etc. • Risk of being forced to receive vaccinations • Risk of being forced to take unstable employment • Risk of not being properly covered by internal systems (e.g., parental leave, family care leave, sick leave, etc.)	✓	✓	✓	✓	✓	✓	✓
		Dismissal or termination of employment	• The possibility of dismissal on the basis of race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, illness, etc. • Undue pressure due to differences in employment status.	✓	✓	✓	✓	✓	✓	✓
	Child Labor	Compliance with legal age of employment and hazardous work or employment of young workers under 18	• The possibility of child labor under the minimum working age stipulated in the ILO Basic Conventions. • The following problems may occur due to the employment of young workers under the age of 18 - Deprivation of educational opportunities - exploitation - Causing mental or physical injury	✓	✓	✓	✓	✓	✓	✓
		Forced Labor	• Migrants, refugees, irregular workers (including foreign nationals), foreign technical intern trainees, and others who may be forced to work, taking advantage of their vulnerable positions.	✓	✓	✓	✓	✓	✓	✓
	Freedom of association and the right to collective bargaining	Freedom of association and the right to collective bargaining	• The possibility of disincentives to join labor unions or similar organizations due to retaliation, threats, or harassment from company officials, and the possibility that opportunities for labor-management consultations are not substantially secured.	✓	✓	✓	✓	✓	✓	✓
		Measures not permitted by national law	• The risk that freedom of association and the right to collective bargaining (in accordance with international law) may not be ensured in countries where trade unions and similar organizations are not recognized or recognized but not applied as a matter of practice.	✓	✓	✓	✓	✓	✓	✓
Personal Information	Personal Information Management	• Personal health records (including genetic information) and other personal information may be leaked or misused, leading to the identification of individuals or invasion of their privacy. • Personal information obtained in the course of business of healthcare professionals, patients, employees, etc. may be leaked or utilized beyond the scope of the person's authorization.	✓	✓	✓	✓	✓	✓	✓	
Community	Resources	Access to natural resources	• The threat of biological piracy by seeking natural compounds (e.g. medicinal herbs) that are essential for drug development	✓	✓	✓	✓	✓	✓	
	Environmental Impact of Pharmaceuticals	Health and Safety	• Pollution of the environment by animals, cells, pharmaceuticals, chemicals, and waste plastics, which may endanger the health of the population and spread contamination to the plants and animals they feed on. • Abuse of water and land at factories and local construction sites.	✓	✓	✓	✓	✓	✓	
	Community Residents	Right to Residence	• Forced evictions due to the construction of new factories and other facilities, violations of residents' rights to a livable environment • Violation of residents' rights to a livable environment due to delays in climate change countermeasures • Regional impact due to inadequate disaster prevention measures for factories and business establishments, etc.	✓	✓	✓	✓	✓	✓	
Relationships with governments	Operations in Conflict-Risk and Conflict-Affected Areas	Product Supply Risks	• The risk that clinical trials cannot be conducted or products cannot be supplied to people in need of medicines due to unstable social conditions • Indirectly contributing to conflicts in the region (products or funds)	✓	✓	✓	✓	✓	✓	
	Bribery and Corruption	Relationships with Licensing Authorities	• Illegal acts may be committed in order to request smooth approval from the manufacturing and marketing licensees (central and local governments).	✓	✓	✓	✓	✓	✓	
		Relationships with medical professionals (including researchers)	• Falsification of data on research, prescriptions, clinical trials, etc., and possible illegal acts in order to request the preparation of promotional data favorable to the company.	✓	✓	✓	✓	✓	✓	
Relationships with countries with low awareness of human rights	Relationships with public policy	• Risk that cooperation with national and regional public health measures may be used by individuals with propaganda or political beliefs of authorities that disregard human rights. • Risk of receiving inappropriate medical care due to inadequate government measures against counterfeit medicines.	✓	✓	✓	✓	✓	✓		

3.6 Transportation and Logistics industry

Value Chain of Transportation and Logistics Industry

Buy: capital investment, procurement of vessels, vehicles, aircraft and fuel Sell: promotion, sales and marketing

Operation: operation (storage, logistics, transportation) Disposal: disposal, recycling

Human Rights Issues in Transport and Logistic Industry		Specific Concerns	Value Chain				
			Create	Buy	Sell	Disposal	
Business Workplace	Workplace Treatment	Working Hours	<ul style="list-style-type: none"> Logistics and transportation are labor-intensive industries, and even in the future, when mechanization is expected to progress further, there will be no small number of operations that will never be freed from manual labor. The amount of orders received may result in the lack of long-term employment, exposing employees to unstable forms of employment. In the busy season, long working hours and sudden work may occur in the field and at subcontractors. Long working hours may occur due to late-night and early-morning work caused by time differences resulting from collaboration with other countries. Due to the highly public nature of the business, there is a risk of unexpected late-night work, long working hours, or work on holidays in the event of a disaster or international conflict. Increased telecommuting may blur the line between home and work. Long working hours may occur due to poor management of working hours at workplaces. Long working hours may occur due to a shortage of qualified seafarers, truck drivers, and other workers in the supply chain. Long working hours may occur in the supply chain due to difficulty in understanding the labor situation outside the company. Long working hours may occur due to long waiting time of trucks at warehouses. Long working hours may occur due to audits and DD as part of supply chain management Long working hours may occur due to the shift of tasks to managers. Truck drivers, etc. may not be able to cope with the 2024 problem and working hour restrictions in the reform of work styles. Despite the establishment of systems such as maternity leave, the actual situation does not match, resulting in a shortage of personnel and the possibility of long working hours due to insufficient response time. 	✓	✓	✓	✓
		Low Wages	<ul style="list-style-type: none"> The possibility of wages falling below the level necessary for workers and their families to make a living. The expansion of the mail-order market, etc., may lead to constantly lengthening working hours and lower wages per unit of time. In the event of an increase in business performance or demand, there is a risk that wages are not commensurate with the efforts of employees, and that motivation may decline due to the absence of special compensation and other forms of encouragement. Wages are not paid in line with price increases, and motivation may decline. Possible loss of wages for drivers due to the 2024 problem, restrictions on truck drivers' working hours due to reforms in the way they work, and increased costs resulting from the increase in the number of truck drivers. Wages for workers in supply chains other than the company's own may decrease. Differences in employment status may prevent fairness in wages for equal work. There is a risk of nationality discrimination in careers, such as only employees of a certain nationality being given opportunities for promotion. Wages may decrease due to sluggish demand. Possible decrease in wages or loss of employment opportunities due to fuel conversion or mechanization 	✓	✓	✓	✓
		Health and Safety	<ul style="list-style-type: none"> In the logistics and transportation industry, there are always operations that involve hazards, such as loading/unloading and transporting heavy objects, using large machinery and vehicles, and working in close proximity to trains, aircraft, and ships. In order to maintain safe conditions, it is necessary to continue to contain hazards through daily efforts. There is a risk of occupational accidents at sites where heavy machinery and heavy cargo are handled, such as dismantling sites, operating vessels and terminals, aircraft, and airports. The risk of employee health hazards and occupational accidents in unstable working environments, such as outdoors or in cold storage warehouses. Ensure worker safety in areas of international conflict, piracy, and geopolitical risk such as the Strait of Hormuz [shipping industry]. The risk of secondary damage to workers in the event of an accident due to the highly public nature of the business Mental health problems due to long working hours, accidents, and harassment Mental health problems may occur due to power harassment caused by working in closed spaces such as on board ships or aircrafts, working with a small number of people, or in the chain of command. Risk of health and safety hazards, child labor, and forced labor in the company's supply chain (in addition to employees). Expansion of telecommuting may increase health hazards such as mental disorders and lifestyle-related diseases caused by lack of exercise (signs of which are not easily seen by others). Health and safety of employees working as essential workers may not be ensured. Health hazards may occur due to work on holidays or long working hours to compensate for absent employees. Risk of business interruption or violence by customers. Inability to receive appropriate treatment during the voyage in the event of a serious illness Risk of adverse effects on workers due to handling of highly hazardous new fuel 	✓	✓	✓	✓
		Employment Environment and Conditions	<ul style="list-style-type: none"> In recent years, in anticipation of a shortage of human resources due to population decline, human resources and employment patterns have become more diverse, including contract and temporary employees, senior employees, non-Japanese employees, employment of people with disabilities, conversion of contract employees to full-time employees, and the implementation of shorter working hours and telecommuting. The employment of diverse employees (nationality, ethnicity, religion, gender, age, disability, sexual identity, etc.) under various forms of employment may lead to unequal treatment in terms of working conditions, training and training, and promotion (soft aspects). The lack of a workplace environment (e.g., multipurpose restrooms) for diverse employees (e.g., nationality, ethnicity, religion, gender, age, disability, sexual orientation, etc.) among truck drivers, onboard ships, etc., may lead to violation of human rights (hard aspects). Possible uniform treatment that does not recognize diversity (SOGI, etc.) Employment environment and treatment of senior workers due to employment extension and retirement age Likelihood of invasion of privacy due to working and living in a closed environment Possible harassment due to pregnancy, childbirth, and childcare in the workplace (maternity harassment and paternal harassment) There is a risk of leakage of personal information not only of customers, but also of employees and supply chain personnel. Workers may not be able to make choices in line with the times due to working styles that do not allow remote work. 	✓	✓	✓	✓
	Foreign Workers	Employment environment and conditions	<ul style="list-style-type: none"> (General) Lack of support in language and daily life may isolate foreign workers. Lack of language and daily life support may isolate foreign workers. (Domestic) Lack of support for language and daily life may isolate foreign workers (domestic) Foreign nationals employed under the foreign technical intern system may be subjected to unfair treatment (forced long working hours, non-payment of wages, unjust deductions from salaries, etc.). (Overseas) Risk of human rights violations, such as child labor and forced labor, occurring at business partners in the overseas supply chain. Risk of nonpayment of wages in pre-regular employment 	✓	✓	✓	✓
	Services provided to Customer and areas	Safety	<ul style="list-style-type: none"> Possibility of causing health hazards and unnecessary stress to a diverse range of passengers due to the characteristics of a closed space, long restraint time, and the inability to move seats [Aviation]. Possible damage to health and unnecessary stress due to the characteristics of the closed space, high density, and diverse passengers on board. There is also a risk of being victimized by sexual crimes, etc. [Railways] As a closed space, there is a risk of delay in initial response in the event of a medical emergency. May adversely affect the local community due to the use of highly hazardous new fuel for navigation. 				
		Service	<ul style="list-style-type: none"> The risk of loss of opportunities to use public services due to inadequate support for diverse customers (nationality, ethnicity, religion, gender, age, disability, sexual identity, etc.). While local communities are maintained by continuing routes, the elimination of routes may encourage a decline in the quality of the community [railroads and buses]. In the event of a logistics slowdown, customers may not be able to receive the services they desire (i.e., cannot transport what they want to transport). Delays in research on alternative fuels, etc., may prevent customers from meeting their expectations. 			✓	✓
		Information Management	<ul style="list-style-type: none"> The possibility of leakage of personal information/privacy entrusted to us by our customers. 				

Community	Resources	Use of Natural Resources	<ul style="list-style-type: none"> Diversification of energy sources is progressing, including not only fossil fuels, but also unconventional natural gas resources and power generation from renewable energy sources. The fuel oil may cause air pollution, water degradation, and other environmental pollution, as well as destruction of habitats where the fuel oil is procured. Air pollution may be caused by gases emitted from many transport vehicles passing along transport routes [transportation]. Oil pollution accidents may cause damage to the marine environment and negative impacts on ecosystems. Construction and use of transportation infrastructure such as factories, distribution centers, roads, railroads, ports, and airports may cause environmental destruction such as soil pollution, water quality degradation, and air pollution. Procurement and use of fossil fuels such as ships, aircraft, and accompanying vehicles, and inefficient use of resources may cause climate change and negatively affect the livelihoods of people, especially women, the poor, social minorities, and refugees Potential to contribute to sustainable development through efficient use of natural resources (positive impact) Possible threat to human rights in terms of water and sanitation in the areas where foodstuffs are procured for operations [Aviation Industry] The potential for passengers to bear the cost of SAF fuel (aviation biofuel), which is positioned as a renewable alternative aviation fuel, and the potential for passengers to bear the cost of such fuel, which is relatively expensive [airline industry]. Measures to reduce emissions of sulfur oxides, nitrogen oxides, etc. by switching fuels or installing scrubbers on vessels in operation due to Sox and Nox regulations [shipping industry] The use of ballast water may affect ecosystem services in the marine environment of each region and infringe on the human rights of local residents. The disposal of vehicles, vessels, and airplanes may cause negative environmental impacts. In the process of supplying new alternative fuels such as biofuels, there is a risk of creating mass production farms, etc., and destroying the local natural environment Conventional fuel workers may lose employment opportunities. Possible negative as well as positive impacts on local communities due to the unknown nature of new technologies and fuels, such as offshore wind power. 	レ	レ	レ	レ
		Use of Infrastructure	<ul style="list-style-type: none"> The risk of damage to roads, ports, airports, etc. in the destination country by vehicles, vessels, or aircraft operated by the company Trucks transporting goods to landlocked countries may damage roads in countries near ports. Damage to infrastructure in the event of a disaster could disrupt supply chain logistics Efforts to quickly restore infrastructure such as roads, rail lines, station facilities, and logistics hubs to maintain local livelihood infrastructure in the event of a disaster (positive impact) Possible impact on customers or supply chain due to cargoes stopped working due to dockworkers' strike Supply chain may be affected by driver shortages, accidents, and inadequate maintenance of roads, rail lines, and ports. Declining number of passengers due to falling birthrate and aging population may make it impossible to maintain routes [railroads]. Possible changes in the environment of the sea and surrounding areas due to port improvements, such as allowing large vessels to enter the port or adding facilities for new fuel supply 	レ	レ	レ	レ
		Provision of Service	<ul style="list-style-type: none"> The risk of accidents, terrorist acts, disasters, infectious diseases, etc. that may adversely affect the health and safety of not only our customers but also the general public and other stakeholders. Navies of various countries deployed to areas of piracy or geopolitical risk, or security guards hired as one company to guard insecure logistics centers, There is a risk of the use of excessive force. Armed guards on board may use excessive force against seafarers, crew members, and pirates. The risk of naval forces or pirates violating the rights of local residents, such as fishermen (shipping industry) Risk of foreign objects being mixed in food and products that pass to the general public in food factories and food warehouses (food defense [food warehousing and food logistics]). 	レ	レ	レ	レ
Society and Government	Relationships with governments	<ul style="list-style-type: none"> Exposure to bribery and corruption, including facilitation payments The risk of being exposed to bribery and corruption, such as facilitation payments. Risk of companies being complicit in human rights abuses due to policy guidance or state ideology that may lead to human rights abuses In the event of war or conflict, companies may be complicit in human rights abuses by being recruited. 	レ	レ	レ	レ	
Digitization		<ul style="list-style-type: none"> The evolution of technology (AI, IoT, etc.), such as generative AI and facial recognition systems, may lead to privacy/human rights issues and cyber-terrorism, etc. that are not currently anticipated. IT disparity may widen (those who can benefit from digitalization and those who cannot, such as those on board ships). Possible reduction in manpower and human errors due to introduction of AI and IT in the transportation flow, and possible reduction in the number of employees The possibility of not being able to respond appropriately to victims due to unclear responsibility in the event of an accident. Due to the reduction of personnel due to digitalization, there may be a shortage of personnel (system) capable of responding to emergencies. 	レ	レ	レ	レ	
Others	Illicit trade, Smuggling	Human Trafficking	<ul style="list-style-type: none"> Risk of being involved in the transportation of victims of trafficking in persons, organ traffickers, etc. Risk of unintentionally transport stowaways (shipping industry) Risk of transporting contraband Risk of unintentionally transporting conflict minerals or products of forced labor Risk of using products of forced labor as company goods 	レ	レ	レ	レ
	Access to Remedy		<ul style="list-style-type: none"> Risk of inaccessibility of remedies in the event of general human rights issues. Lack of access to remedies for employees working for secondary and tertiary suppliers (no remedy counter, no multilingual support, no 24-hour system, no functioning counter even if one exists, etc.) The psychological safety of those who wish to access the relief (choice of anonymity, confidentiality of information, no-retaliation policy, etc.) is not ensured, and therefore they may not be able to access the relief. Lack of a redress window in the supply chain, or lack of penetration, which may prevent parties from accessing the information. The possibility of not being able to provide adequate remedies in a timely manner for issues that take time to resolve Lack of access to remedies due to limited communication environment such as on board ship [shipping industry]. Lack of know-how for relief and inability to respond adequately 	レ	レ	レ	レ

3.7 Consumer Goods Industry (Cosmetics and Household Goods)

Human Rights Issues in Consumer Goods Industry		Specific Concerns		Value Chain						
				R&D	Procure	Manufacture	Logistics	Advertising	Sales	Use
Own employees/suppliers	Workplace Treatment	Working Hours	<ul style="list-style-type: none"> •(a) production plans that incorporate overtime work and the need to absorb delays in upstream plans on the shop floor; (b) wage levels that are not in line with local living standards; (c) piece-rate wage systems; or (d) the possibility of long working hours due to reasons on the factory side, such as large quantities of defective or reworked products, (c) Piece-rate wage system, or (d) Long working hours may occur due to reasons on the factory side, such as a large volume of defective or reworked products. •Long working hours may be caused by excessive customer service or bloated man-hours due to ambiguous targets. •Labor management may be inadequate, or holidays required by law may not be intentionally given, or overtime limits may not be observed. •Especially after the Corona disaster, the introduction of telecommuting may have led to insufficient management and a constant state of not being able to guarantee overtime work and minimum required rest periods. •Service overtime and long working hours, especially in Japan. Excessive work by managers •The introduction of a three-day workweek and the use of parental leave and nursing care leave by men may lead to an uneven distribution of labor. •Possible burden on business partners due to reduction of their own working hours or insistence on high value-added output to meet diverse needs. 	✓	✓	✓	✓	✓	✓	✓
		Wages	<ul style="list-style-type: none"> •Pressure from manufacturers, retailers, etc. to reduce costs, which may be difficult to pass on to transaction prices, and suppliers may not comply with minimum wages and living wages. •In some countries, minimum wages are revised frequently and there is a risk of non-compliance with minimum wages. •Insufficient compliance with laws and regulations or inadequate labor management may prevent proper remuneration for overtime work. •There is a risk that equal pay for equal work is not observed. •Wage disparity due to gender differences may occur. •Fair remuneration based on productivity may not be paid. 	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	<ul style="list-style-type: none"> •The lack of thorough safety and health training, including disaster prevention training (including BCP training), first-aid training, and handling of hazardous chemicals (including the absence of regular training, not only at the time of hiring), may cause harm to workers. •Lack of consideration for the individuality of foreign nationals and persons with disabilities (especially for foreign workers, including but not limited to multilingual manuals and necessary reminders of seasonal illnesses, regional disasters, and differences in language, culture, and ways of thinking unique to Japan) may result in harm. •Risk of health hazards due to lack of measures to deal with health hazardous work environment (noise, vibration, illumination, room temperature, ventilation, local exhaust ventilation, etc.). •There is a risk that pregnant and nursing women, young people, etc. may be forced to work in hazardous or harmful jobs. •There is a risk that workers may be harmed due to aging buildings, illegal construction, illegal emergency exits, escape routes, etc. •The housing of foreign workers (company dormitories, etc.) may be in violation of laws, global norms, etc., and may be a physically and mentally harsh living environment. (New concerns raised by COVID-19) •The boundary between private and professional life may become blurred due to the increased use of remote work, leading to long hours of overtime work and excessive workloads, which may cause health problems. •Mental health problems caused by lack of communication opportunities due to the increase in remote work •Stress and psychological stress due to the risk of infection may increase due to the need to commute to workplaces and stores for business purposes. •Management may have fewer opportunities to visit workplaces, leading to neglect of safety checks at workplaces (e.g., negligence of evacuation drills). •There is a risk of undue stress due to insufficient information sharing or lack of follow-up by the company when there is a problem. 	✓	✓	✓	✓	✓	✓	✓
		Harassment	<ul style="list-style-type: none"> •Physical, sexual, emotional, or verbal harassment or abuse •The time spent on measures to increase sales is considered important, and there is a risk that not enough time will be allocated to raising awareness to deter harassment. •After the Corona disaster, managers have fewer opportunities to visit the work site, and may not be able to grasp the actual situation of harassment, resulting in delays in responding to the situation. •There is a risk that foreign workers, foreign technical intern trainees, and their families will be isolated without sufficient explanations, including those in their own language. •Japanese employees may be forced to do the same work as other employees without understanding the differences in status of residence. •Possible failure of the consultation service for harassment to function and lead to no resolution. •Fear that employees may perceive harassment due to a work style or work environment that does not take LGBTQ or religion into consideration. 	✓	✓	✓	✓	✓	✓	✓
		Disciplinary action/change of treatment	<ul style="list-style-type: none"> •Risk of unfair disciplinary punishments or treatment due to inappropriate content of employment regulations. •Likelihood of insufficient explanation, including in terms of language, being provided to foreign workers and foreign technical intern trainees. •Risk of unjust dismissal of foreign workers due to pregnancy, or unjust return to their home country (lack of maternity leave system). •Possibility of unfair dismissal, etc., not only in Japan but also in overseas group companies. •Possible unjust dismissal, etc., not only in Japan but also in overseas group companies. 	✓	✓	✓	✓	✓	✓	✓
		Discrimination	<ul style="list-style-type: none"> •The possibility of unequal treatment in the work environment, training, and promotion opportunities due to differences in gender, age, race, religion, LGBTQ, disability, BLM, etc. •When AI technology is used to make decisions on promotions, transfers, etc., biases in the attributes of the big data used (race, gender, age, etc.) may affect the judgment results and cause disadvantages to those involved. 	✓	✓	✓	✓	✓	✓	✓
		Freedom of association	<ul style="list-style-type: none"> •The union may refuse to form a labor union, refuse to bargain collectively without just cause, or treat union members unfairly or dismiss them. •Risk of dismissal on the grounds of strike action 	✓	✓	✓	✓	✓	✓	✓
Grievance mechanisms	<ul style="list-style-type: none"> •The company may not have a grievance mechanism in place or, if one is in place, it may not be functional (i.e., there may be a lack of protection for whistleblowers, lack of awareness of the scope of target groups, and lack of information on what is acceptable for whistleblowing, and the whistleblower hotline may become a dead end). •Lack of multilingual support, and failure to identify offers of human rights violations by vulnerable groups. •Lack of expertise in dealing with LGBTQ issues, which may lead to human rights violations being left unchecked/secondary damage. 	✓	✓	✓	✓	✓	✓	✓		
Suppliers	Child labor	Minimum age	<ul style="list-style-type: none"> •The possibility that child labor under the minimum age may be performed without identification or on the basis of false identification. •Child labor under the minimum age may be performed due to poverty. •Risk of child labor under the minimum age in raw material procurement (plantations, mining sites, etc.) •Risk of child labor in the workforce, including temporary workers, contractors, etc. 	✓	✓	✓	✓	✓	✓	
	Forced Labor	Forced labor Forced overtime, human trafficking, foreign technical interns	<ul style="list-style-type: none"> •Risk of being forced to work due to violence, threats of violence, financial problems (including bribes to agents), passport custody, or other forms of intimidation •Likelihood that the labor contract (employment contract) will not be clearly stated in writing and that workers will be forced to work under working conditions to which they have not agreed. •Lack of checks on supervisory bodies and sending organizations that dispatch foreign technical intern trainees, which may lead to forced labor by taking advantage of the vulnerable position of immigrants, refugees, and technical intern trainees. •Overtime work for foreign technical intern trainees in excess of the legally mandated overtime hours has become the norm and could be considered forced labor (e.g., failure to conduct regular interviews with the trainees accordingly),(e.g., the lack of periodic interviews with the trainees) •Insufficient multilingual support for stress checks and lack of implementation of such checks may lead to mental illnesses. 	✓	✓	✓	✓	✓		
	Assessment	Human rights violations at suppliers	<ul style="list-style-type: none"> •Failure to conduct sufficient investigations and exercise influence may encourage human rights violations at upstream suppliers, such as secondary suppliers and production contractors. •Failure to conduct on-site interviews with suppliers' foreign employees, foreign technical intern trainees, and intern trainees (companies where trainees work), who are a socially vulnerable group, to ascertain the actual situation, and the risk that human rights violations will not be corrected. 	✓	✓	✓	✓	✓		
	Grievance Mechanisms	Effectiveness of supplier reporting channels, escalation process, and remedies	<ul style="list-style-type: none"> •The supplier reporting system may become a mere formality due to a lack of protection for whistleblowers and a lack of awareness of the scope of the system and the content of the reports it accepts. (The scope of reporting should be expanded to include not only compliance violations, bribery, and violations of subcontracting laws, but also a wide range of human rights complaints, such as living wages, freedom of association, and educational opportunities. The scope and awareness should be expanded to include all employees of subcontractors and subcontractors working at suppliers' factories.) •Multilingual support may be inadequate, and the parties concerned may be isolated. •Escalation process and remedies (remedy procedures by the legal and compliance departments) may not be decided, which may aggravate human rights violations. 	✓	✓	✓	✓	✓		
	Mutual information management system		<ul style="list-style-type: none"> •Insufficient information sharing system with primary, secondary, and subsequent suppliers, which may encourage human rights issues to be triggered by supplier employees. 	✓	✓	✓	✓	✓		
Business Partners	M&A	HR Assessment in M&A acquisition audits	<ul style="list-style-type: none"> •Insufficient human rights assessment of the target company during the acquisition audit may result in human rights violations not being remedied. •Lack of consideration for the employees of the acquired company at the stage of unifying and disseminating assessments, rules, policies, etc. after the acquisition. 	✓	✓	✓	✓	✓	✓	
	Business partners	Human rights violations at Business partners	<ul style="list-style-type: none"> •The possibility that human rights violations may not be corrected when human rights issues become apparent within a supplier, regardless of whether they are upstream or downstream 	✓	✓	✓	✓	✓		
	Logistics contractors	Labor environment	<ul style="list-style-type: none"> •There is a risk that manufacturers and sellers will request unreasonable delivery dates from upstream suppliers, resulting in chronic long working hours and overwork. •Failure to reform business practices and to adequately consider SCM functions when changing business models, such as increasing the ratio of e-commerce, may lead to chronic long working hours and excessive workloads for employees of logistics providers. 	✓	✓	✓	✓	✓		
	Employment applicants		<ul style="list-style-type: none"> •Potential for human rights violations (discrimination based on educational background, gender, nationality, harassment, and identity theft) against applicants for employment. •Possibility of unequal recruitment and employment with restrictions on gender, age, race, religion, LGBTQ, disability, BLM, etc. •When using AI technology, etc. as a factor in hiring decisions, bias may occur depending on the attributes of the set data (background, gender, age, etc.), which may cause disadvantages to the parties concerned. 	✓	✓	✓	✓	✓	✓	

Society	Local residents	Health hazards in daily life	• Air pollution, chemical emissions, and wastewater from business operations may harm the health of local residents.	↓	↓	↓	↓	↓	↓
		Infringement on living space and time	• There is a risk of impacts such as violation of land rights of indigenous peoples and local communities due to the construction of new business sites, etc. • Potential impact on living areas in terms of noise, air pollution, traffic safety, etc., due to business operations.	↓	↓	↓	↓	↓	↓
	Natural environment	Water Stress	• Drought risk due to the use of large amounts of water • Risk of local residents not having access to sufficient quantities of safe water due to wastewater from failure to properly treat factory water	↓	↓	↓	↓	↓	↓
		Climate Change	• The risk of negative impact on the global environment (all stakeholders) due to failure to curb global warming caused by large CO2 emissions and failure to fulfill "power supply responsibility".	↓	↓	↓	↓	↓	↓
		Terrestrial resources	• May adversely affect the preservation of forest ecosystems due to the manufacture of products • Risk of illegal dumping of waste due to abandonment or failure to use appropriate contractors	↓	↓	↓	↓	↓	↓
		Marine resources	• There is a risk of negative impact on marine ecosystem conservation due to the manufacture of plastic products. • Insufficient wastewater treatment at factories, etc., and possible adverse effects on the ocean due to hazardous substance spills • Impacts on fishermen, tourism industry, countries that depend on tourism for their livelihood, and ecosystems (possible loss of fish, impact on livelihoods)	↓	↓	↓	↓	↓	↓
Relationships with governments	Bribery and corruption	• Possibility of being asked to pay bribes when obtaining permits, etc.	↓	↓	↓	↓	↓	↓	
	Relationships with countries with high	• The possibility of being complicit in human rights abuses due to proximity to countries with high human rights risks.	↓	↓	↓	↓	↓	↓	
Customer	Relationships with consumers	Health and Safety	• The company may not take sufficient measures to improve the quality and safety of its products and reduce the risks to consumers.	↓	↓	↓	↓	↓	
			• The lack of correct information and the lack of adherence to correct usage may cause disadvantages to consumers.	↓	↓	↓	↓		
			• Insufficient improvement of traceability of materials and products may cause disadvantages to consumers.	↓	↓	↓	↓		
			• Risk of consumer safety hazard due to inadequate communication of safety precautions	↓	↓	↓	↓		
		• Insufficient resolution of consumer issues through innovation	↓	↓	↓	↓			
		Privacy	• Personal information such as privacy information contained in customer medical records, data from monitors, surveillance cameras, purchasing behavior such as the use of electronic purchasing and point systems, and cookies, and delivery addresses may be leaked, managed improperly, processed, or transferred and used inappropriately. • The seller or manufacturer may not clearly state the terms and conditions or use difficult expressions regarding the handling of privacy information including facial images such as the use of various simulators or diagnostic devices, which may cause misunderstanding, anxiety, or disadvantage to consumers because they may not be able to fully understand the handling of information. It may cause misunderstanding, anxiety, or disadvantage to consumers. • The seller or manufacturer may prioritize marketing activities so much that personal information (e.g., website browsing history, electronic purchase history tracking, recommendation functions, etc.) is used without the consent of the parties concerned.	↓	↓	↓	↓		
	Respect for the individual		• Advertising, marketing, and sales activities may promote stereotypes of uniform beauty, gender, generation, etc. • There is a risk that algorithms and information provided by the use of AI, etc. may promote misperceptions and stereotypes among consumers.	↓	↓	↓	↓		
	Sustainable Society	Children's health and safety	• The possibility that children's rights may be violated, that their healthy development may be hindered, or that their safety and health may be endangered, by not providing sufficient information on product use and skin knowledge, such as usage and quality. • The possibility of not ensuring equal access to products that meet the needs of children according to their growth characteristics.	↓	↓	↓	↓		
		Harassment and Discrimination	• The possibility of infringement of human rights without prior confirmation that advertising and marketing will not induce discriminatory harassment • Advertising and marketing activities may evoke discrimination and bullying and give the impression that they condone or encourage such discrimination and bullying. • The possibility of being disadvantaged in purchasing or using the product due to differences in gender, age, nationality, race, religion, LGBTQ, disability, BLM, etc. • Product appealing expressions may be perceived as verbal violence.	↓	↓	↓	↓		
		Monitoring & Assessment	• The disposal of plastic products, containers, and packaging may have an impact on the environment. • Failure to control the use of virgin plastic in containers and packaging materials may contribute to negative environmental impacts by not providing consumers with an awareness of the need to save plastic. • Failure of sellers and manufacturers to involve consumers in raising environmental awareness may contribute to negative environmental impacts. • Failure to provide easy-to-separate containers and packaging may undermine consumers' awareness of disposal and contribute to negative environmental impacts.	↓	↓	↓	↓		
• The company may not actively identify (through SNS monitoring, etc.) human rights violations caused by advertising and marketing or by individual employees, and the human rights violations may not be corrected. • When human rights violations occur due to advertising and marketing, sales activities, or business activities, the lessons learned may not be applied to future business activities, resulting in a recurrence of such violations.			↓	↓	↓	↓			
Lifestyle	• The company does not provide consumers with decision-making materials to enable them to make "choices" according to their lifestyles and values (religion, CO2, animals, plastics, etc.), which may lead to "choices" against their will and narrow their freedom of choice.	↓	↓	↓	↓				

3.7 Consumer Goods Industry (Cosmetics and Household Goods)

Human Rights Issues in Consumer Goods Industry		Specific Concerns	Value Chain							
			R&D	Procurement	Manufacture	Logistics	Advertising	Sales	Use	Disposal
Own employees/suppliers	Workplace Treatment	Working Hours	<ul style="list-style-type: none"> •(a) production plans that incorporate overtime work and the need to absorb delays in upstream plans on the shop floor; (b) wage levels that are not in line with local living standards; (c) piece-rate wage systems; or (d) the possibility of long working hours due to reasons on the factory side, such as large quantities of defective or reworked products, (e) Piece-rate wage system, or (d) Long working hours may occur due to reasons on the factory side, such as a large volume of defective or reworked products. •Long working hours may be caused by excessive customer service or bloated man-hours due to ambiguous targets. •Labor management may be inadequate, or holidays required by law may not be intentionally given, or overtime limits may not be observed. •Especially after the Corona disaster, the introduction of telecommuting may have led to insufficient management and a constant state of not being able to guarantee overtime work and minimum required rest periods. •Service overtime and long working hours, especially in Japan. Excessive work by managers •The introduction of a three-day workweek and the use of parental leave and nursing care leave by men may lead to an uneven distribution of labor. •Possible burden on business partners due to reduction of their own working hours or insistence on high value-added output to meet diverse needs. 	✓	✓	✓	✓	✓	✓	✓
		Wages	<ul style="list-style-type: none"> •Pressure from manufacturers, retailers, etc. to reduce costs, which may be difficult to pass on to transaction prices, and suppliers may not comply with minimum wages and living wages. •In some countries, minimum wages are revised frequently and there is a risk of non-compliance with minimum wages. •Insufficient compliance with laws and regulations or inadequate labor management may prevent proper remuneration for overtime work. •There is a risk that equal pay for equal work is not observed. •Wage disparity due to gender differences may occur. •Fair remuneration based on productivity may not be paid. 	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	<ul style="list-style-type: none"> •The lack of thorough safety and health training, including disaster prevention training (including BCP training), first-aid training, and handling of hazardous chemicals (including the absence of regular training, not only at the time of hiring), may cause harm to workers. •Lack of consideration for the individuality of foreign nationals and persons with disabilities (especially for foreign workers, including but not limited to multilingual manuals and necessary reminders of seasonal illnesses, regional disasters, and differences in language, culture, and ways of thinking unique to Japan) may result in harm. •Risk of health hazards due to lack of measures to deal with health hazardous work environment (noise, vibration, illumination, room temperature, ventilation, local exhaust ventilation, etc.). •There is a risk that pregnant and nursing women, young people, etc. may be forced to work in hazardous or harmful jobs. •There is a risk that workers may be harmed due to aging buildings, illegal construction, illegal emergency exits, escape routes, etc. •The housing of foreign workers (company dormitories, etc.) may be in violation of laws, global norms, etc., and may be a physically and mentally harsh living environment. (New concerns raised by COVID-19) •The boundary between private and professional life may become blurred due to the increased use of remote work, leading to long hours of overtime work and excessive workloads, which may cause health problems. •Mental health problems caused by lack of communication opportunities due to the increase in remote work •Stress and psychological stress due to the risk of infection may increase due to the need to commute to workplaces and stores for business purposes. •Management may have fewer opportunities to visit workplaces, leading to neglect of safety checks at workplaces (e.g., negligence of evacuation drills). •There is a risk of undue stress due to insufficient information sharing or lack of follow-up by the company when there is a problem. 	✓	✓	✓	✓	✓	✓	✓
		Harassment	<ul style="list-style-type: none"> •Physical, sexual, emotional, or verbal harassment or abuse •The time spent on measures to increase sales is considered important, and there is a risk that not enough time will be allocated to raising awareness to deter harassment. •After the Corona disaster, managers have fewer opportunities to visit the work site, and may not be able to grasp the actual situation of harassment, resulting in delays in responding to the situation. •There is a risk that foreign workers, foreign technical intern trainees, and their families will be isolated without sufficient explanations, including those in their own language. •Japanese employees may be forced to do the same work as other employees without understanding the differences in status of residence. •Possible failure of the consultation service for harassment to function and lead to no resolution. •Fear that employees may perceive harassment due to a work style or work environment that does not take LGBTQ or religion into consideration. 	✓	✓	✓	✓	✓	✓	✓
	Disciplinary action/change of treatment	<ul style="list-style-type: none"> •Risk of unfair disciplinary punishments or treatment due to inappropriate content of employment regulations. •Likelihood of insufficient explanation, including in terms of language, being provided to foreign workers and foreign technical intern trainees. •Risk of unjust dismissal of foreign workers due to pregnancy, or unjust return to their home country (lack of maternity leave system). •Possibility of unfair dismissal, etc., not only in Japan but also in overseas group companies. •Possible unjust dismissal, etc., not only in Japan but also in overseas group companies. 	✓	✓	✓	✓	✓	✓	✓	✓
	Discrimination	<ul style="list-style-type: none"> •The possibility of unequal treatment in the work environment, training, and promotion opportunities due to differences in gender, age, race, religion, LGBTQ, disability, BLM, etc. •When AI technology is used to make decisions on promotions, transfers, etc., biases in the attributes of the big data used (race, gender, age, etc.) may affect the judgment results and cause disadvantages to those involved. 	✓	✓	✓	✓	✓	✓	✓	✓
	Freedom of association	<ul style="list-style-type: none"> •The union may refuse to form a labor union, refuse to bargain collectively without just cause, or treat union members unfairly or dismiss them. •Risk of dismissal on the grounds of strike action 	✓	✓	✓	✓	✓	✓	✓	✓
Grievance mechanisms	<ul style="list-style-type: none"> •The company may not have a grievance mechanism in place or, if one is in place, it may not be functional (i.e., there may be a lack of protection for whistleblowers, lack of awareness of the scope of target groups, and lack of information on what is acceptable for whistleblowing, and the whistleblower hotline may become a dead end). •Lack of multilingual support, and failure to identify offers of human rights violations by vulnerable groups. •Lack of expertise in dealing with LGBTQ issues, which may lead to human rights violations being left unchecked/secondary damage. 	✓	✓	✓	✓	✓	✓	✓	✓	
Suppliers	Child labor	<ul style="list-style-type: none"> •The possibility that child labor under the minimum age may be performed without identification or on the basis of false identification. •Child labor under the minimum age may be performed due to poverty. •Risk of child labor under the minimum age in raw material procurement (plantations, mining sites, etc.) •Risk of child labor in the workforce, including temporary workers, contractors, etc. 	✓	✓	✓	✓	✓	✓	✓	
	Forced Labor	<ul style="list-style-type: none"> •Risk of being forced to work due to violence, threats of violence, financial problems (including bribes to agents), passport custody, or other forms of intimidation •Likelihood that the labor contract (employment contract) will not be clearly stated in writing and that workers will be forced to work under working conditions to which they have not agreed. •Lack of checks on supervisory bodies and sending organizations that dispatch foreign technical intern trainees, which may lead to forced labor by taking advantage of the vulnerable position of immigrants, refugees, and technical intern trainees. •Overtime work for foreign technical intern trainees in excess of the legally mandated overtime hours has become the norm and could be considered forced labor (e.g., failure to conduct regular interviews with the trainees accordingly).(e.g., the lack of periodic interviews with the trainees) •Insufficient multilingual support for stress checks and lack of implementation of such checks may lead to mental illnesses. 	✓	✓	✓	✓	✓	✓		
	Assessment	<ul style="list-style-type: none"> •Failure to conduct sufficient investigations and exercise influence may encourage human rights violations at upstream suppliers, such as secondary suppliers and production contractors. •Failure to conduct on-site interviews with suppliers' foreign employees, foreign technical intern trainees, and intern trainees (companies where trainees work), who are a socially vulnerable group, to ascertain the actual situation, and the risk that human rights violations will not be corrected. 	✓	✓	✓	✓	✓	✓	✓	
	Grievance Mechanisms	<ul style="list-style-type: none"> •The supplier reporting system may become a mere formality due to a lack of protection for whistleblowers and a lack of awareness of the scope of the system and the content of the reports it accepts. (The scope of reporting should be expanded to include not only compliance violations, bribery, and violations of subcontracting laws, but also a wide range of human rights complaints, such as living wages, freedom of association, and educational opportunities. The scope and awareness should be expanded to include all employees of subcontractors and subcontractors working at suppliers' factories.) •Multilingual support may be inadequate, and the parties concerned may be isolated. •Escalation process and remedies (remedy procedures by the legal and compliance departments) may not be decided, which may aggravate human rights violations. 	✓	✓	✓	✓	✓	✓	✓	
	Mutual information management system	<ul style="list-style-type: none"> •Insufficient information sharing system with primary, secondary, and subsequent suppliers, which may encourage human rights issues to be triggered by supplier employees. 	✓	✓	✓	✓	✓	✓	✓	
Business Partners	M&A	<ul style="list-style-type: none"> •Insufficient human rights assessment of the target company during the acquisition audit may result in human rights violations not being remedied. •Lack of consideration for the employees of the acquired company at the stage of unifying and disseminating assessments, rules, policies, etc. after the acquisition. 	✓	✓	✓	✓	✓	✓	✓	
	Business partners	<ul style="list-style-type: none"> •The possibility that human rights violations may not be corrected when human rights issues become apparent within a supplier, regardless of whether they are upstream or downstream 	✓	✓	✓	✓	✓	✓	✓	
	Logistics contractors	<ul style="list-style-type: none"> •There is a risk that manufacturers and sellers will request unreasonable delivery dates from upstream suppliers, resulting in chronic long working hours and overwork. •Failure to reform business practices and to adequately consider SCM functions when changing business models, such as increasing the ratio of e-commerce, may lead to chronic long working hours and excessive workloads for employees of logistics providers. 	✓	✓	✓	✓	✓	✓	✓	
	Employment applicants	<ul style="list-style-type: none"> •Potential for human rights violations (discrimination based on educational background, gender, nationality, harassment, and identity theft) against applicants for employment. •Possibility of unequal recruitment and employment with restrictions on gender, age, race, religion, LGBTQ, disability, BLM, etc. •When using AI technology, etc. as a factor in hiring decisions, bias may occur depending on the attributes of the set data (background, gender, age, etc.), which may cause disadvantages to the parties concerned. 	✓	✓	✓	✓	✓	✓	✓	

Society	Local residents	Health hazards in daily life	• Air pollution, chemical emissions, and wastewater from business operations may harm the health of local residents.	✓	✓	✓	✓	✓	✓
		Infringement on living space and time	• There is a risk of impacts such as violation of land rights of indigenous peoples and local communities due to the construction of new business sites, etc. • Potential impact on living areas in terms of noise, air pollution, traffic safety, etc., due to business operations.	✓	✓	✓	✓	✓	✓
	Natural environment	Water Stress	• Drought risk due to the use of large amounts of water • Risk of local residents not having access to sufficient quantities of safe water due to wastewater from failure to properly treat factory water	✓	✓	✓	✓	✓	✓
		Climate Change	• The risk of negative impact on the global environment (all stakeholders) due to failure to curb global warming caused by large CO2 emissions and failure to fulfill "power supply responsibility".	✓	✓	✓	✓	✓	✓
		Terrestrial resources	• May adversely affect the preservation of forest ecosystems due to the manufacture of products • Risk of illegal dumping of waste due to abandonment or failure to use appropriate contractors	✓	✓	✓	✓	✓	✓
	Relationships with governments	Marine resources	• There is a risk of negative impact on marine ecosystem conservation due to the manufacture of plastic products. • Insufficient wastewater treatment at factories, etc., and possible adverse effects on the ocean due to hazardous substance spills • Impacts on fishermen, tourism industry, countries that depend on tourism for their livelihood, and ecosystems (possible loss of fish, impact on livelihoods)	✓	✓	✓	✓	✓	✓
Bribery and corruption		• Possibility of being asked to pay bribes when obtaining permits, etc.	✓	✓	✓	✓	✓	✓	
Customer	Relationships with consumers	Relationships with countries with high human rights risks	• The possibility of being complicit in human rights abuses due to proximity to countries with high human rights risks.	✓	✓	✓	✓	✓	✓
		Health and Safety	• The company may not take sufficient measures to improve the quality and safety of its products and reduce the risks to consumers.	✓	✓	✓	✓	✓	✓
			• The lack of correct information and the lack of adherence to correct usage may cause disadvantages to consumers.	✓	✓	✓	✓	✓	✓
			• Insufficient improvement of traceability of materials and products may cause disadvantages to consumers.	✓	✓	✓	✓	✓	✓
			• Risk of consumer safety hazard due to inadequate communication of safety precautions • Insufficient resolution of consumer issues through innovation	✓	✓	✓	✓	✓	✓
		Privacy	• Personal information such as privacy information contained in customer medical records, data from monitors, surveillance cameras, purchasing behavior such as the use of electronic purchasing and point systems, and cookies, and delivery addresses may be leaked, managed improperly, processed, or transferred and used inappropriately. • The seller or manufacturer may not clearly state the terms and conditions or use difficult expressions regarding the handling of privacy information including facial images such as the use of various simulators or diagnostic devices, which may cause misunderstanding, anxiety, or disadvantage to consumers because they may not be able to fully understand the handling of information. It may cause misunderstanding, anxiety, or disadvantage to consumers. • The seller or manufacturer may prioritize marketing activities so much that personal information (e.g., website browsing history, electronic purchase history tracking, recommendation functions, etc.) is used without the consent of the parties concerned.	✓	✓	✓	✓	✓	✓
			Respect for the individual	• Advertising, marketing, and sales activities may promote stereotypes of uniform beauty, gender, generation, etc. • There is a risk that algorithms and information provided by the use of AI, etc. may promote misperceptions and stereotypes among consumers.	✓	✓	✓	✓	✓
		Children's health and safety	• The possibility that children's rights may be violated, that their healthy development may be hindered, or that their safety and health may be endangered, by not providing sufficient information on product use and skin knowledge, such as usage and quality. • The possibility of not ensuring equal access to products that meet the needs of children according to their growth characteristics.	✓	✓	✓	✓	✓	✓
		Harassment and Discrimination	• The possibility of infringement of human rights without prior confirmation that advertising and marketing will not induce discriminatory harassment • Advertising and marketing activities may evoke discrimination and bullying and give the impression that they condone or encourage such discrimination and bullying. • The possibility of being disadvantaged in purchasing or using the product due to differences in gender, age, nationality, race, religion, LGBTQ, disability, BLM, etc. • Product appealing expressions may be perceived as verbal violence.	✓	✓	✓	✓	✓	✓
		Sustainable Society	• The disposal of plastic products, containers, and packaging may have an impact on the environment. • Failure to control the use of virgin plastic in containers and packaging materials may contribute to negative environmental impacts by not providing consumers with an awareness of the need to save plastic. • Failure of sellers and manufacturers to involve consumers in raising environmental awareness may contribute to negative environmental impacts. • Failure to provide easy-to-separate containers and packaging may undermine consumers' awareness of disposal and contribute to negative environmental impacts.	✓	✓	✓	✓	✓	✓
Monitoring & Assessment	• The company may not actively identify (through SNS monitoring, etc.) human rights violations caused by advertising and marketing or by individual employees, and the human rights violations may not be corrected. • When human rights violations occur due to advertising and marketing, sales activities, or business activities, the lessons learned may not be applied to future business activities, resulting in a recurrence of such violations.		✓	✓	✓	✓	✓	✓	
Lifestyle	• The company does not provide consumers with decision-making materials to enable them to make "choices" according to their lifestyles and values (religion, CO2, animals, plastics, etc.), which may lead to "choices" against their will and narrow their freedom of choice.	✓	✓	✓	✓	✓	✓		