

Appendix 2

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Nippon CSR Consortium

Human Rights Issues by Sector v.2

The members of the Nippon CSR Consortium, made up of companies, NGO/ NPOs, academics and related institutions, have been working to identify the potential negative impacts of corporate activities on human rights by sector. The draft version of the “Human Rights Issues by Sector” document was open for public consultation between November 20th and December 17th, 2013. Valuable comments from two companies and five organisations have been received at home and abroad. We gratefully acknowledge their contribution.

Following consideration of these comments, the Nippon CSR Consortium herewith releases “Human Rights Issues by Sector v.2”. The paper maps human rights issues that are considered likely to be related to the 10 sectors, following discussions at the Nippon CSR Consortium and on the basis of internationally recognized guidance such as the UNEP FI Human Rights by Sector and the UN Guiding Principles. On 4 selected sectors manufacturing, information communication technology (ICT), logistics and finance, the paper further maps where in their value chain the identified human rights issues could be linked to.

Of course, the paper should not be read as confining a particular issue to a certain sector only, or to the effect that a particular issue *always* arises in a given sector. Further identification of sector-specific human rights issues with in-depth analysis and research, and implementation of appropriate prevention/mitigation measures as well as measures for “Access to remedy”, which is a core part of the UN Guiding Principles, would be expected hereafter.

The comments were integrated consistently to the format of this document, and the sole responsibility for the content of this document lies with Caux Round Table Japan, as a platform organizer of Nippon CSR Consortium.

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1. Overview of the Public Consultation 2013

During the public consultation period from November 20th to December 17th 2013, Nippon CSR Consortium received large numbers of comments from companies and organizations in different sectors and with different expertise. Most of them are classified under three categories, (i) supplementary explanation about the human rights issues, (ii) additional reference source, and (iii) focal issues/challenges towards 2014, and reflected in the individual issues and texts in this paper.

Given many valuable comments, some of them are difficult to reflect in the individual issues, despite their importance to address. Therefore, in this chapter, our views on three representative comments will be explained. The three comments are as follows: Human rights issues should be recognized more comprehensively; Human rights issues should be understood in the particular context in which they arise; and 'Business and human rights' as a subject and CSR should be understood distinctly.

■ Human rights issues should be recognized more comprehensively

The purpose of this document is to report the discussion results of the Human Rights Due Diligence Workshop. The workshop was planned in response to the corporate community where there was so much confusion over 'where to start' in relation to a wide range of existing human rights issues. Thus, an objective of the workshop is to understand and reflect concern for highly relevant and critical human rights issues in products and services, or with a sector as a whole. As a result, this paper does not focus on listing all the issues identified in the workshop and highlights only those more relevant to each sector, products and services, while discussing the issues in common across the sectors in the workshop (Appendix 1).

There are also some comments indicating there may not be so much difference in supply chains across different sectors in relation to 'labour and human rights', such as 'workplace conditions', 'discrimination', 'child labour', 'forced labour' and 'freedom of association and collective bargaining'.

Considering such input, working toward the Workshop 2014, the current four categories 'Core operation/Supply chain', 'Community', 'Society and government' and 'Customer' will be revised and combined into two, and 'Labour and human rights' in the 'Core operation/Supply chain' will be positioned as a common issue across the all sectors. In addition, the potential human rights risks to customers and the local communities where business operations take place will be discussed separately.

■ Human rights issues should be understood in the particular context in which they arise

We agree that it is critical to understand the reason why a certain human rights issue arises, and to determine the underlying problems of the issue, in order to address any human rights issues effectively. For example, in the case of child labour, families may have to depend on cash earned by their children,

because of low household income, and simply excluding children from work sites can rather aggravate the situation.

Therefore in 2014, contextual understanding of the issues will be emphasized, by leveraging tools and data related to the sector specific and/or region specific risks, while further promoting collaboration with the ‘business and human rights’ initiative organizations around the country and abroad.

■ **‘Business and human rights’ as a subject and CSR should be understood distinctly**

Violation of human rights through business operation should be avoided in all respects. If the issues of ‘business and human rights’, as ‘what a company should do’, and ‘CSR’, as ‘what a company want to do voluntarily’, are clearly distinct, then they should be understood separately. Accordingly, the name of the Nippon CSR Consortium may have to be changed, and that possibility would not be excluded from our discussion.

The Nippon CSR Consortium will be continuously working on identifying and working to address important potential human rights issues, through identifying what business operations can violate whose/which human rights, and from whose perspective, and striving for excellency in facilitating businesses efforts to address and resolve the identified issues and risks, in collaboration with businesses, NGOs/NPOs, CSR experts and CSR initiative organizations. We hope this information will be helpful for companies during their implementation of ‘Human Rights Due Diligence’.

2 Human Rights Issues by Sector v.2

2-1. Manufacturing

Key value chains applicable to the manufacturing sector were classified into seven categories, and concrete issues were further explored focusing on the products and services specified below.

2-1.a Key value chains in manufacturing sector

Create: research, development, design

Buy: capital investment, procurement

Manufacture: production, manufacturing

Transport: storage, logistics

Sell: distribution, sales and marketing

Use: consumption, utilization

Discard: disposal, recycling

2-1.b Discussed products and services

- Thermal electric power plant
- *Electronic parts
- Digital camera

*Among various product families in electronic components, ferrite products (parts) were selected and their value chain was focused on.

2-1.c Potential human rights issues in the specified products and services, and relevant value chains

Key human rights issues in the manufacturing sector			Concrete issues *Highly relevant value chains are shown in parentheses []	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Core operation/ Supply chain	Workplace conditions	Working hours and wage	<ul style="list-style-type: none"> Long working hours may become the norm in overseas factories, due to low wages not matching local standards of living, and piece-rate work. Unpaid overtime work in Japan. 		✓	✓				
		Health and safety	<ul style="list-style-type: none"> Severe incidents causing death or injury especially within research and development, as well as manufacturing sites. [C/M] Long working hours may cause health problems, in particular, mental health problems Inadequate living conditions (living in a dormitory within the factory, sharing one small dormitory room with several people, being locked up for control) and poor sanitation (shower, toilet, etc..) may affect the health of the employees. 	✓	✓	✓	✓	✓		
	Discrimination	During work	<ul style="list-style-type: none"> Inequality in working conditions, training, and promotion 	✓	✓	✓	✓	✓		
	Child labour	Minimum age	<ul style="list-style-type: none"> There may be possible risks of child labour and trafficking through brokers in supply chains across developing countries (e.g. subcontracting works). Job applications may be made using fake identities. 		✓	✓				
	Forced or compulsory labour	Deposits and papers	<ul style="list-style-type: none"> “Mediators” may require foreign workers in Asian countries to hand over ID (e.g. passport) and/or pay excessive commission at the time of recruitment. 			✓				
		Forced overtime	<ul style="list-style-type: none"> Risk of long working hours may cause forced overtime, due to excessive quota requirements. 	✓	✓	✓	✓	✓		
Freedom of association and collective bargaining	—	<ul style="list-style-type: none"> Potential lack of communication/dialogue between labour representatives and unions. Potential insufficiency in institutionalization and operation of labour-management consultation and/or absence of substantive collective bargaining. Potential insufficiency in protecting workers’ rights in union shop, or where trade unions are banned or not fully implemented. 	✓	✓	✓	✓	✓			
				Create	Buy	Manufacture	Transport	Sell	Use	Discard

Key human rights issues in the manufacturing sector			Concrete issues *Highly relevant value chains are shown in parentheses [].	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Designing and developing products with low environmental burdens (less electric consumption, easy to recycle). [C/U/D] Abuse and contamination of land and water at a factory or local construction site. [B/M/D] 	✓	✓	✓			✓	✓
	Security	Non-state groups and security payments	<ul style="list-style-type: none"> Potential diversion of funds, goods and services¹ to non-state groups, and armed groups. (e.g. conflict minerals²) 		✓					
Society and government	Relations with governments	Relations to states with poor human rights records	<ul style="list-style-type: none"> A new venture (e.g. plant construction) by a government may be launched without obtaining appropriate consent from local communities, including indigenous people and minorities. At time of bidding for a plant construction and operation, the labour standard presented by a host government may not comply with the international standards. 		✓	✓				
		Bribery and corruption	<ul style="list-style-type: none"> Potential risk of being involved in bribery and corruption, such as facility payments, especially at time of obtaining licenses and authorizations. [M] Possible risks of corruption when entering into a contract, as well as of being involved in corrupt practices when receiving orders from government. [S] 			✓		✓		
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> Potential positive impacts of changing consumer behaviors (e.g. conducting responsible marketing considering health and safety of consumers) [S], and contributing to raising consumers' awareness of environmental issues. [U/D] Potential risk to the lives or bodies of end consumers are created due to a defect in specified products provided through the customer/clients. 					✓	✓	✓
				Create	Buy	Manufacture	Transport	Sell	Use	Discard

¹ Voluntary Principles on Security and Human Rights to identify benchmarks (<http://www.voluntaryprinciples.org>)

² The law on using conflict minerals is now quite clear, and as part of their due diligence, companies need to take many measures into account. Refer to *The OECD Due Diligence Guideline for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas* (<http://www.oecd.org/corporate/mne/mining.htm>) and an example, *the Dodd-Frank Wall Street Reform and Consumer Protection Act* (<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>). Conflict minerals directly contribute to the maintenance of conflict and are associated with sexual violence against women and girls, such as that in the North and South Kivus.

*Human rights issues in the manufacturing sector and the relevant value chains, other than the specified products and services

- Core operation/ Supply chain > child labour > minimum age and Community > resources > others

Products collected in industrialized countries for recycling purpose are shipped to developing countries and disposed there finally as waste. There is a potential risk of child labour, if children are involved in collecting recyclable material from the wastes in these countries. If the products/waste is hazardous and toxic and poorly-handled, there is a potential risk of disastrous human rights consequences for the health and safety of the people in community³. [D]

- Community > resources > use of natural resources

Protecting traditional knowledge of indigenous people, and sharing with them the profits derived from the use of such knowledge. (ABS: Access and Benefit-Sharing) [C/B]

³ Case profile: Tragigura lawsuits in Cote d'Ivoire.

<http://www.business-humanrights.org/Categories/Lawlawsuits/Lawsuitsregulatoryaction/LawsuitsSelectedcases/TrafiguralawsuitsreCtedIvoire>

2-2. Information, Communication and Technology (ICT)

Key value chains applicable to the ICT sector were classified into six categories, and concrete issues were further explored focusing on the products and services specified below.

2-2.a Key value chains in ICT sector

Create: research and development

Buy: capital investment for office and data centre, procurement of machine/equipment/raw materials and soft ware

Produce: information planning, program development, system maintenance

Sell: network provider, sharing system, system maintenance & operation service, sales and marketing

Use: shared system operation, data archival

Discard: depreciation/amortization

2-2.b Discussed products and services

The shared account management system for over-the-counter sales of investment trusts

2-2.c Potential human rights issues in the specified products and services, and relevant value chains

Key human rights issues in ICT sector			Concrete issues *Highly relevant value chains are shown in parentheses [].	Value Chain					
				Create	Buy	Produce	Sell	Use	Discard
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long working hours (including attendance at weekends) and unpaid work in system development process (e.g. pre-release period, during system trouble) [C/B/P/U] Industrial health and safety of workers at overseas subcontractors (outsourcer providers) and/or System Integrators may not be ensured, because political and economic factors are different from Japan. [C/P/U] 	✓	✓	✓		✓	
		Health and safety	<ul style="list-style-type: none"> Long working hours may cause health problems, especially mental health problems 	✓		✓			
	Discrimination	During work	<ul style="list-style-type: none"> Gender (discrimination against female workers) and nationality inequality in training and promotion 	✓		✓		✓	
	Forced or compulsory labour	Forced overtime	<ul style="list-style-type: none"> Excessive quota requirements may lead to long working hours and forced overtime. 						
	Freedom of association and collective bargaining	Conflict with local law	<ul style="list-style-type: none"> Freedom of association and collective bargaining may not be ensured. 	✓		✓			
	Protection and storage of personal data	—	<ul style="list-style-type: none"> Personal information held by the company may be leaked. 				✓	✓	✓
				Create	Buy	Produce	Sell	Use	Discard

Key human rights issues in ICT sector			Concrete issues *Highly relevant value chains are shown in parentheses [].	Value Chain					
				Create	Buy	Produce	Sell	Use	Discard
Community	Resources	Use of natural resources (water, land, etc.)	<ul style="list-style-type: none"> Environmental friendly energy use at a data centre (e.g. energy saving, responsible power source management.) [B] Having a negative impact on the lives of communities, such as through noise and odor emissions from a data centre. [U] Potential risks of environmental pollution from inappropriately discarded electronic devices. [D] 		✓			✓	✓
		Use of infrastructure	<ul style="list-style-type: none"> Having a positive impact on local communities such as by improving local infrastructure through the establishment of an ICT network system. [P/U] Users' asset management may be affected by suspension of service caused by electricity and technical trouble. [U] 			✓		✓	
	Community investment	—	<ul style="list-style-type: none"> Making a positive impact on local communities through information provision and ICT services, such as enhancement of local peoples' lives by reducing the digital divide. 			✓		✓	
Society and government	Relations with governments	Relations to states with poor human rights record	<ul style="list-style-type: none"> Insufficient legal systems in host countries may cause challenges in controlling forced overtime work. (e.g. at contracted local company for offshore development projects) [P] Potential violations of land ownership rights of local peoples at the time of government purchase of land for industrial park from of minority community. [B] Possible risks surrounding demands from government authorities to provide private information. [S/U] 		✓	✓	✓		
		Bribery and corruption	<ul style="list-style-type: none"> Potential risks of being involved in bribery and corruption, notably in offshore market research, and sales and marketing (especially in ICT service provision for government agencies.) [C/S] 	✓			✓		
Consumer	Relations with customers	—	<ul style="list-style-type: none"> Potential violation of privacy by information leakage, especially in system operation Big Data services that gather public consumer data may unintentionally identify personal data by combining information, and there is a potential risk of misuse the customer personal data for commercial purposes without prior approval from users. 				✓		
				Create	Buy	Produce	Sell	Use	Discard

*Human rights issues in the ICT sector and the relevant value chain, other than the specified products and services

- Society and government > Relations with governments > Freedom of expression and Privacy.
Potential violations of freedom of expression when:
a company receives direct requests from host governments to censor content and close down networks,
a company operates in countries where the law requires restrictions on the freedom of expression due to strict social and cultural values, or where repressive regimes do not tolerate dissent,
a company's technologies and products are misused to repress freedom of opinion, speech and expression. [B/S]
- Consumer > Relations with customers
Having a negative impact on children's rights, arising from child pornography; online solicitation or 'grooming', and exposure to unsuitable materials. This can cause psychological harm or lead to physical harm; and harassment and intimidation. Rapid developments in the ICT sector have facilitated the creation and dissemination of images of the sexual abuse of children, heightening the need for businesses to exercise due diligence.

2-2.d Reference Sources

- Institute for Human Rights and Business and Shift, *ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights*, 2013.
<http://www.ihrb.org/publications/reports/human-rights-guides.html> (accessed February 25th 2014)
- Ericsson, *ICT and Human Rights: an ecosystem approach*, 2012.
http://www.ericsson.com/res/thecompany/docs/corporate-responsibility/2012/human_rights0521_final_web.pdf (accessed February 25th 2014) *The ICT value chain is described for one sub-sector.

2-3. Logistics

Key value chains applicable to the logistic sector were classified into four categories, and concrete issues were further explored focusing on the products and services specified below.

2-3.a Key value chains in logistics

Create: research, development

Buy: capital investment, procurement of ships and vehicles

Transport: storage, logistics, transportation

Discard: disposal, recycle

2-3.b Discussed products and services

- Intermodal freight transport
- Maritime transport

2-3.c Potential human rights issues in the specified products and services, and relevant value chains

Key human rights issues in logistics sector			Concrete issues *Highly relevant value chains are shown in parentheses [].	Value Chain			
				Create	Buy	Transport	Discard
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long working hours at fields and subcontracting companies especially in busy seasons. 			✓	
		Health and safety	<ul style="list-style-type: none"> Workplace accidents could occur due to lack of sufficient safety instructions at site where heavy machinery and cargos operate, such as terminal and ship under operation for marine transportation industry. Safety of workers in marine transportation industry when in waters in which piracy can take place Long working hours may cause mental health risks. 			✓	
	Discrimination	During work	<ul style="list-style-type: none"> Inequality according to gender and education in working conditions, training and promotion. Foreigner nationals especially in port services may face discriminatory treatment in employment and payment. 			✓	
		Redundancy and dismissal	<ul style="list-style-type: none"> Potential risks of hiring temporary workers to replace full-time workers or to avoid employment protection⁴ and requests for permanent employment by part-time and contract workers may not be duly considered. 			✓	
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Potential risks of causing or contributing to environmental contamination, air pollution, water quality degradation or destruction of natural habitats at the site of oil extraction. [B] Exhaust gas from vehicles operating frequently along the same route may cause or contribute to local air pollution. [T] 		✓	✓	
	Security	State provision of security	<ul style="list-style-type: none"> Potential risk of excess use of force like violence by national navies dispatched to areas where piracy is occurring or by armed guard on-board ships to mariners and piracy. A potential risk to navies, piracy may abuse the rights of local communities such as fishermen. 			✓	

⁴ Companies should provide appropriate employment with supporting employment contracts. Please see the guidance on employment and recruitment agencies here for further elaboration: (<http://www.ihrb.org/publications/reports/human-rights-guides.html>)

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Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> · Possible risk of being involved in bribery and corruption such as by way of facilitation payment. [T] · Potential risk of being involved in collusion, bribery and corruption at the time of negotiating investments and route development with governments and legislative authorities. [C/B] 	✓	✓	✓	
Others	Trafficking	Trafficking in human	<ul style="list-style-type: none"> · Potential risk of direct association with trafficking through the transportation of trafficking victims (via international airlines and shipping companies). 			✓	
				Create	Buy	Transport	Discard

2-4. Finance

Key value chains applicable to the finance sector were classified into five categories, and concrete issues were further explored focusing on the products and services specified below.

2-4.a Key value chains in Finance Sector

Create: financial commodity planning, research, development

Buy: capital investment for office and data centre, financing

Produce: establishing fund

Sell: manage, review, loan, selling financial products, money transfer network/system, sales and marketing

Use: fund management and account maintenance

2-4.b Discussed products and services

- Investment trust fund
- Mutual fund (loan)
- Mid-term & long-term domestic lending

2-4.c Potential human rights issues in the specified products and services, and relevant value chains

Key human rights issues in finance sector			Concrete issues *Highly relevant value chains are shown in parentheses [].	Value Chain				
				Create	Buy	Produce	Sell	Use
Core operation/ Supply chain	Workplace conditions	Working hours	• Risk inherent in working long hours as customer's needs and operations diversify and due to increases in non-routine work.	✓			✓	
		Health and safety	• Long working hours may lead to illness including mental health risks	✓			✓	
	Discrimination	During work	• Possible gender discrimination in training and promotion	✓			✓	
				Create	Buy	Produce	Sell	Use

Key human rights issues in finance sector			Concrete issues *Highly relevant value chains are shown in the parenthesis [].	Value Chain				
				Create	Buy	Produce	Sell	Use
Community	Access to land	Title to land	<ul style="list-style-type: none"> Lack of regulations for protecting land ownership, such as hypothecate in regards to financial transactions, may lead to infringement of human rights. Potential risks of being held lender's responsibilities concerning credit mortgages 	✓		✓	✓	
	Community investment	—	<ul style="list-style-type: none"> Positive impacts on job creation and access to education through microfinance. [C] Positive impacts by dealing in financial products designed to support infrastructure improvement in developing countries. [C] On the infrastructure improvement and development, there is a potential risks of adverse consequences for human rights, if the land acquisition has been undertaken without free and prior informed consent, or if force has been used, poor resettlement, environmental and other social impacts. 	✓				
Society and government	Relations with society	Money laundering and transparency	<ul style="list-style-type: none"> Potential risk of facilitating money laundering of funds acquired through, e.g. trading questionable assets, illegal drugs or gambling. [B/S] 		✓		✓	
Customer	Investments, loans, and individual investors	—	<ul style="list-style-type: none"> Human rights are not fully considered when conducting screening and audits in regard to funds and investment. Compliance with the Equator Principles is desirable [S/U] Respect for land ownership rights of indigenous people; need for sharing of benefits obtained from indigenous knowledge, such as in relation to raw materials. [C/S] Risk of involvement in human rights impacts through business relationships, by including companies involved such impacts in a portfolio. [P] Possible risk of excessive debt/credit extended to consumers who are in no position to repay, and the possible use of extortion by outsourced collection agencies. 	✓		✓	✓	✓
				Create	Buy	Produce	Sell	Use

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<http://www.crt-japan.jp/EN/index.html/>

2-4.d Reference sources

Thun Group of Banks, *Discussion Paper for Banks on the Implementation of the UN Guiding Principles on Business and Human Rights 16-21*, October 2013

<http://www.business-humanrights.org/media/documents/thun-group-discussion-paper-final-2-oct-2013.pdf> (accessed February 25th 2014)

Institute for Human Rights and Business, *Investing the Rights Way: A Guide for Investors on Business and Human Rights*, 2013.

<http://www.ihrb.org/pdf/Investing-the-Rights-Way/Investing-the-Rights-Way.pdf> (accessed February 25th 2014)

2-4.e Focal Issues/Challenges towards 2014

Many financial institutions have close relationships through lending, investment and underwriting with all the industrial sectors and businesses they support. This means that the finance institutions are exposed to human rights issues/risks inevitably, through the activities of their clients, as participation in or association with human rights violations, even indirectly, may negatively affect a company's profitability or reputation. Through putting in place human rights due diligence mechanisms, not only do finance institutions address their own risks, but also affect the way in which companies in their sphere of influence tackle human rights. This facilitates mitigating and addressing potential risks, as well as leading to a more human rights-aware business community at large.

- To separate out the impacts of the financial institution itself and those to which the financial institution is directly linked through its business relationships.
- Wider collaboration including representatives from the banking, investing and insurance sectors in this platform of discussion would be needed, in order to make the current paper and any related follow-up work as relevant as possible for the finance industry.

Human Rights Issues by Sector v.2 without Value Chain Discussion

2-5. Chemicals

Key human rights issues in chemical sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	<ul style="list-style-type: none"> Risks of skin injuries and cancers posed by the use of chemical materials.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Progressive increase in discharge and leak of hazardous materials, water and air pollution at manufacturing sites as well as during transportation.
	Access to land	Voluntary relocation-consultation and compensation	<ul style="list-style-type: none"> Inadequate compensation on relocation may create tensions with local communities when developing sites, which may endanger the safety of both corporate and community members.

2-6. Pharmaceuticals

Key human rights issues in pharmaceutical sector			Concrete issues
Core operation/ Supply chain	Work conditions and others	Health and safety	<ul style="list-style-type: none"> The use of chemical compounds or/and pharmaceutical products without adequate protections may endanger the health and safety of employees. During the clinical development stage of pharmaceutical production, the health and safety of study participants may not be managed properly at contract research organizations. Moreover, there may be fraud in clinical trials and data.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Sourcing natural compounds that are essential for drug development may possibly heighten tensions between companies and local communities. Especially (e.g. Bio-Piracy; deprive benefit of community through a patent monopoly for compound made from medicinal plants which historically diffuse within a local community)
	Community investment	—	<ul style="list-style-type: none"> Positive impacts on public health such as by rising awareness of diseases and ensuring access to medicines.
Society and government	Relations with governments	Gov'ts with poor human rights records	<ul style="list-style-type: none"> Company's support for public health activities in state/ local community may be misused by government and those who have a political agenda for political purposes such as in propaganda. Risk to governments or health-care providers restricting access to facilities to minority groups or other disadvantaged groups.

Consumer	Relations with patients	Health and safety	<ul style="list-style-type: none"> • Taking positive actions towards the fight against counterfeit medicines • Delay in reporting adverse drug reactions and in conducting recalls may endanger health and safety of patients • Risk of testing drugs without prior informed consent of patients.
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Reference Source for Pharmaceutical Sector:

Access to Medicines Index. <http://www.accesstomedicineindex.org/> (accessed February 25th 2014)

2-7. Apparel and Textiles

Key human rights issues in apparel and textiles sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> • Long working hours may be caused by (a) production schedules that presuppose overtime work, as well as in attempting to meet deadlines in the sewing process, (b) low wages not matching local standards of living, and (c) piece-rate work.
		Wages	<ul style="list-style-type: none"> • Pressure from buyers for cost reductions may result in infringement of minimum wage legislation.
		Health and safety	<ul style="list-style-type: none"> • Education on safety and health, including emergency drills, may not be conducted or may not be conducted properly.
	Discrimination	-	<ul style="list-style-type: none"> • Gender inequality (discrimination against female workers) in working conditions, training and promotion.
	Child labour	Minimum age	<ul style="list-style-type: none"> • Children under the minimum age may be permitted to work without confirmation of their identification papers, or based on forged papers.
	Forced or compulsory labour	Forced overtime	<ul style="list-style-type: none"> • Immigrant workers in China and foreign trainees in Japan may be forced to do overtime work.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> • Discharging of hazardous material from leather tanneries and dye houses may pollute rivers, and may damage local people's health.
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> • Positive impact from changing consumer preferences (e.g. promoting fair trade), and engaging in ethical marketing

2-8. Food and Retail

Key human rights issues in food and retail sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long working hours may be a burden at manufacturing factories (i.e. suppliers) where private brand products are made and within logistics networks that distribute the goods due to low wages not matching local standards of living, and piece-rate work.
		Health and safety	<ul style="list-style-type: none"> Risk of fatal and non-fatal accidents in production process including handling sourcing material, and in handling chemical substances in supply chain
	Discrimination	During work	<ul style="list-style-type: none"> Foreign workers may not be ensured access to safety education because of language barriers. Informal workers and seasonal workers may be involved in precarious employment.
	Child labour	—	<ul style="list-style-type: none"> Child labour and forced labour may possibly occur at suppliers of raw materials, for example agricultural and fishery products
	Forced or compulsory labour	—	<ul style="list-style-type: none"> Production is often concentrated in particular time periods, due to seasonality of products in our sectors. Forced overtime work may be observed in the busiest periods.
	Freedom of association and collective bargaining	Conflict with local law	<ul style="list-style-type: none"> Freedom of association and the rights of collective bargaining under international human rights law may not be fully ensured in countries in which unions are not permitted, or unions are permitted but poorly implemented.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Large-scale commercial agriculture and fishing can decrease agricultural production and fish hauls of small-scale community operations, adversely impacting livelihoods. Also risks of damage to local ecological systems Large-scale commercial agriculture may also adversely impact on access to water for the community. Culturally/ historically/ religiously important sites for local communities or indigenous people may be damaged.
	Security	State provision of security	<ul style="list-style-type: none"> Risks of excessive use of force by state or state may not provide adequate security to protect citizens' right to security of person.
	Access to land	Title to land	<ul style="list-style-type: none"> Titles to the land of local people or indigenous groups may be ignored, especially when constructing large stores. Increased demands for alternative energy sources (e.g. bio-fuels) may diminish the land available for livelihoods and agricultural cultivation.

Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> • Bribes may be demanded of a company when it expands its business and develops a new store at the stage of obtaining approvals and licenses for land acquisition, marketing and manufacturing.
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> • Positive impacts from promoting responsible marketing, especially by giving consideration to consumer health in respect of alcohol and tobacco sales, and to consumer safety in respect of electric devices and toys. • Risks to consumer health from low quality or addictive substances, as well as from inadequate labelling.

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2-9. Paper and Printing

Key human rights issues in paper sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	<ul style="list-style-type: none"> • Potential risks in relation to workplace accidents when employees are engaged in logging or operating heavy machinery
	Discrimination	During work	<ul style="list-style-type: none"> • Workers may be subject to lack of equal opportunity for education, training and promotion due to gender discrimination or/and nationality discrimination
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> • In term of forest resources, the rights of indigenous people and local communities may not be fully considered. Especially in the case where a company purchases woodchips rather than sawing from company-owned forests, there may be possible risks of the company being involved in human rights violations related to logging. • Forest biodiversity may not be fully considered.
	Access to land	Title to land	<ul style="list-style-type: none"> • Lack of formal tenure arrangements, or tenure based on historical use rather than documentation can lead to traditional rights being overlooked.

Key human rights issues in printing sector			Concrete issues
Core operation/ Supply chain	Work conditions	Working hours	• Risks around working long hours in sales and marketing, in the factory, at suppliers and subcontractors.
		Health and safety	• Potential cancer risks caused by using chemical materials in enclosed spaces with inadequate ventilation, and in printing factories.
	Discrimination	During work	• Foreign workers may be subject to lack of health and safety education due to language barriers.
	Child labour	—	• There could possibly be child labour within the supply chain (at subcontractors, and Asian factories where products for give-away campaigns are made)
	Forced or compulsory labour	Prison labour	• Prison labour (known as “ <i>keimusagyō</i> ” (“prison industry”) in Japanese) may be used and workers may not receive adequate payment (*).
Consumer	Relations with customers	Protection and storage of personal data	• There may possibly be a leak of personal data that the printing company acquires to produce products such as credit cards.

* The use of prison labour is facilitated by national policy in Japan. This means that the issue is not limited to the printing sector, and could potentially relate to all sectors.

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