CAUX ROUND TABLE

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September 30, 2016

Nippon CSR Consortium

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Draft Version for Public Consultation

September 30, 2016 -October 31, 2016

Nippon CSR Consortium, 2016 Stakeholder Engagement Programme

(Human Rights Due Diligence Program) (Tokyo, Japan)

Invitation to Comment on "Human Rights Issues by Sector (draft)" and "Priorities on the SDGs 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 firth Stakeholder Engagement Programme in 2016 focused on identifying silent human rights issues by sector based on Human Rights Guidance Tool developed by UNEP FI, and identifying priorities on the Sustainable Development Goals (SDGs) by sector in consideration with the Sustainable Development Goals and proposals for the SDGs submitted by NGOs/NPOs in the G7 Ise-Shima Summit. The programme was held six times in the period from 15th June to 27 July. The result of the discussions of is summarized in the "Human Rights Issues (draft)" document and the draft "Priorities on the SDGs by Sector (draft)" document, and are hereby disclosed for public consultation.

1. Subject

   Human Rights Issues by Sector (draft) and Priorities on the SDGs by Sector (draft)

2. Access to the document

   The document is available via the CRT Japan website http://crt-japan.jp/en/

3. Application

   （1）Consultation Period

   Friday, September 30, 2016 to Monday, October 31th, 2016 (Japan Time)

   （2）Submission Address

   Please send your comments to CRT Japan's Nippon CSR Consortium secretariat, by e-mail (yourcomments@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" and "Priorities on the SDGs"

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 (Appendix 2).

1. Please share any comments on the concept and procedure of this programme
2. Please freely respond with any comments on "Human Rights Issues by Sector (draft)" document and "Priorities on the SDGs by Sector (draft)" document.
3. The final report is scheduled for publication in December 2016. 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: yourcomments@crt-japan.jp

4. 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. Unfortunately we are unable to respond to individual comments. All the comments, personal names and/or corporate and organizational names submitted will 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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Appendix 2: Public Comments Sheet

1   Preface

1-1.   Purpose of the Stakeholder Engagement Programme (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 and other companies. The consortium consists of corporate participants, NGOs/NPOs, human-rights experts and representatives from academia. In 2012 the 68 participants consisted of 39 companies and 11 organizations, in 2013 the 35 participants were from 15 companies and 12 organizations, and in 2014 the 68 participants were from 34 companies, 17 organizations and others, in 2015 the 98 participants in the first section of the workshop were from 48 companies and 17 organizations. In 2016, the 73 participants were from 40 companies and 14 organizations.

There are some underlying factors that contributed to the establishment of the consortium. Companies sometimes struggle to address diverse human rights issues with limited budgets and resources. Therefore, even once a year, it is useful for them to get together to try to be leaders in their field by proactively seeking to understand and address human rights issues that their industry may be involved in.

The consortium also emphasizes sustainability of activities. As stated above, the companies are committed to continuous efforts for incremental improvement. In order to respond dynamically to a diverse range of issues, participant companies seek 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 Stakeholder Engagement Programme as an activity that aims to assist companies *at industry levels* in (1) identifying and assessing any actual or potentially adverse human rights impacts as defined in the UN Guiding Principles[1], which are connected to their activities *at company levels*, 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 programme to support their human rights due diligence activities at their companies.

The "Human Rights Issue by Sector (draft)" and "Priorities on the SDGs by Sector (draft)" represent the outcome of the discussions started in June and ended in July 2016, and is hereby opened for public consultation. We would appreciate candid comments on the drafts from stakeholders. The final documents will be issued in December 2016.

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.   Programme for Identifying Human Rights Issues

The Nippon CSR Consortium, guided by the UN Guiding Principles, has been working on identifying important potential human rights issues by industry sector. The process used to identify the issues is explained in the following section.

In the 2012 Stakeholder Engagement Programme, important human rights issues by sector were identified through dialogue with the participants based on identifying the human rights issues and expectations relevant to business in UNEP FI Human Rights Guidance Tool[2] (Human Rights Guidance Tool). The final report "Hunan Rights Issues by Sector (2013)" reflects public comments, was issued on April 3rd, 2013.

In 2013, we further explored "Hunan Rights Issues by Sector (2013)" from the perspective of the value chain. Identifying CSR issues throughout related value chains was very useful for CSR departments to understand which human rights issues were related to departments. After public consultation, "Human Rights Issues by Sector (v.2)" was issued.

In 2014, based on the public comments received in 2013, indicating that "human rights issues should be understood with the particular context in which they arise", we focused on understanding the context and background of the issues based on Global Risks identified by World Economic Forum[3]. We focused on understanding the interconnectivities of global risks, and related human rights (societal and environmental issues) to business. This process is a practical step to "understand the reasons of why and how relevant issues are significance to the business activities" and "clearly understand that social and environmental issues are dynamically interlinked and interconnected". After public consultation, "Human Rights Issues by Sector (v.3)" was issued.

In 2015, corporate participants were given a lecture on the particular context in which human rights issues arise by members of NGOs/NPOs and subject experts. The programme addressed emerging human rights issues on sexual minority and technical intern trainees in Japan which have been received much attention recently. Then, the participants reviewed "Human Rights Issues by Sector (v.2)" based on Human Rights Guidance Tool[4] (2014) developed by UNEP FI to examine any added/removed/modified points in the report. Compared to the 9 sectors in 2014 in total, the programme in 2015 was scaled up to the 11 sectors, identifying the sector specific human rights issues. After public consultation, "Human Rights Issues by Sector (v.4)" was issued.

In 2016, the programme addressed the relevance between the SDGs and human rights issues. The year of 2015 marked the four significant events. At the G7 Summit in Schloss Elmau Germany, G7 leaders pledged to promote responsible supply chains, and strongly supported the UN Guiding Principles on Business and

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[2] http://www.unepfi.org/humanrightstoolkit/fundamentals.php (Accessed on Nov 10th, 2014).
[3] http://www3.weforum.org/docs/WEF_GlobalRisks_Report_2014.pdf (Accessed on August, 08, 2014)
[4] http://www.unepfi.org/humanrightstoolkit/ (Accessed on July 10th, 2015)

Human Rights. They also stressed the need to develop substantive National Action Plans and strengthen grievance mechanisms. At the Session of the United Nations General Assembly in September, the Sustainable Development Goals (SDGs) were adopted. In the UK, the Modern Slavery Act was adopted. And, at the UN Climate Conference in Paris COP 21 in December, the countries made the Paris Agreement which will come into effect in 2020. Considering all of these events, the programme focused on identifying silent human rights issues by sector based on Human Rights Guidance Tool developed by UNEP FI, and reviewing any added/removed/modified points in "Human Rights Issues by Sector (v.4)", and identifying priorities on the SDGs by sector in consideration with the proposals for the SDGs submitted by NGOs/NPOs in the G7 Ise-Shima Summit.

1-3.   Procedure of the Programme in 2016

The programme consists of the following four steps.
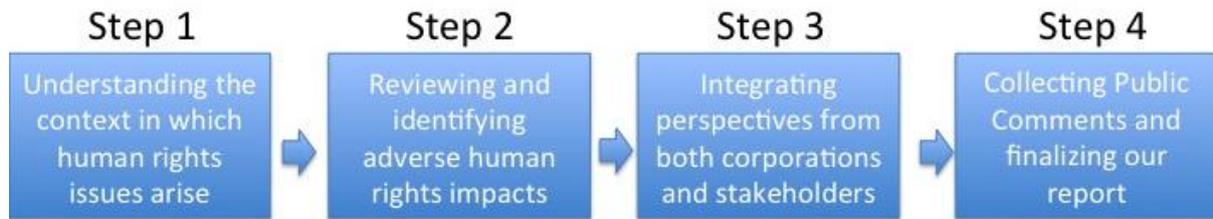
Step1: Understanding the context in which human rights issues arise
- Corporate participants were given a lecture on the particular context in which human rights issues arise by members of NGOs/NPOs, international Organizations, and social entrepreneurs. They presented how the issues were related to the SDGs. (Day1)

Step2: Reviewing and identifying adverse human rights impacts arising from corporate activities
- As a contributor, Institute for Global Environmental Strategies (IGES) presented an overview of SDG Compass[5], and the participants discussed the SDGs and related human rights issues. (Day2)
- Using SDG Compass, the participants identified the priorities on the SDGs by sector in consideration with positive and negative impacts on the SDG goals, and discussed the related human rights issues. They also reviewed the "Human Rights Issues by Sector (v.4) for any changes, based on Human Rights Guidance Tool developed by UNEP FI. (Day3/4)

Step3: Integrating perspectives from both corporations and stakeholders
- The participants summarised discussion contents and exchanged their views with NGOs/NPOs, subject experts. After receiving the feedbacks from NGOs/NPOs and subject experts, the participants finalized the discussion contents by sector. The Secretariat then compiled their work and developed "Human Rights Issues by Sector (draft)" and "Priorities on the SDGs by Sector (draft)".

Step4: Collecting Public Comments and finalizing our report
- The Secretariat invites public comments on the both documents from September to October, 2016. Following consideration of the received comments, the secretariat will release "Human Rights Issues by Sector v.5 " and "Priorities on the SDGs by Sector".

The programme received great support and contribution from Institute for Global Environmental Strategies for providing the introduction to SDG Compass, and from the UNEP Finance Initiative for providing the knowledge on Human Rights Guiding Tool.

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[5] http://sdgcompass.org/wp-content/uploads/2015/12/019104_SDG_Compass_Guide_2015.pdf (Accessed on August 15th, 2016)

1-4.   Points for Consideration

1-4.a   Differing degrees of awareness of human rights issues

The level of detail in the feedback provided by NGO and expert stakeholders was not consistent, perhaps due to differing study and priority areas. Similarly, there were gaps in the level of awareness of human rights issues amongst the corporate participants, reflecting differing levels of engagement with human rights issues. Each company and sector is in a different situation, and the level of outside scrutiny on human rights may differ according to the company's size and sector.

1-4.b   Scope of Study and Analysis

The programme in 2016 and this outcome do 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, as it is not related to the orientation and aim of the programme.
·   Ways of addressing the identified human rights issues and WEF Global Risks are not included in the scope of study as it is not related to the orientation and aim of the programme. It will be an issue to be discussed next year as necessary.
·   The finance, pharmaceutical, apparel and textiles, paper and printing, and consulting and auditing sectors are not in the scope of analysis, as the programme did not review them.

1-4.c   Addition of New Sector

The programme in 2016 added the Consumer Goods Sector (Sports and Daily Goods).

2   Points for collecting Public Comments

We invite public comments on the following three points, 1-3. In the description of your comments, please specify the industry sector, page number, and concrete issue that your comment addresses, and the background and reason for your comments. You may use the Public Comments Sheet (Appendix 2) to submit your comments, if you prefer.

1. Please share any comments on the concept and procedure of this programme.

2. Please freely respond with any comments on "Human Rights Issues by Sector (draft)" and "Priorities on the SDGs by Sector (draft)" document.

3. Comments on the format and procedure of the final report

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

In international CSR movement, the growing importance of addressing Business and Human rights issues is on the rise mainly among the Western countries. At the G7 Summit in Schloss Elmau Germany, G7 leaders pledged to promote responsible supply chains, and strongly supported the UN Guiding Principles on Business and Human Rights. In the UK, the Modern Slavery Act was passed. As this case illustrates, legislation and mandatory for CSR continues to progress rapidly. In the rapidly growing social responsible investment (SRI) market, an initiative called "Corporate Human Rights Benchmark" has begun its benchmark process evaluating 100 selected companies. There are increasing the media coverage and the development of social media. In the changing social environment surrounding companies, demands for companies to address CSR issues in the context of Business and Human Rights become certainly growing. It addition, along with global business expansion, companies are always in a situation of facing local human rights and environmental issues which are occurring in areas of their operation sites. There are always various types of "risks" beyond the scope of companies' understanding. This means that the companies are always exposed to unpredictable "mine risks". From the perspective of risk-management, it is important for companies to address CSR issues.

The Sustainable Development Goals (SDGs) show significant global priority issues for 2030 and provide a vision of how the world should look like. The SDGs can be taken by companies for business opportunity. However, it is very important that companies should consider any negative impacts arising from their business operations when addressing the SDGs issues. The lesson learned from the 2016 Stakeholder Engagement Programme is that companies need to identify where the greatest positive and negative impacts occur though their value chain, and then decide which the SDGs issues should be addressed as a high priority to them. This ensures extremely long-term benefits for companies.

The SDGs clearly focus on human rights, as they are fully committed to "Leave no one behind". Companies should conduct a mapping of their value chain to identify high impact areas for their stakeholders. And, when they conduct dialogues with their stakeholders potentially and actual adversely impacted by corporate operations, it is very important for them to discuss with the standpoint of those people and address negative impacts in which they produce. Positive impacts should not be offset by negative impacts. Through the implementation of the programme, the UN Guiding Principles on business and human rights was recognized as a very useful tool for understanding where potential and actual adverse impacts on human rights occur through value chain.

"Human Rights Issues by Sector", developed as the result of the discussions between companies and NGO/NPO, served as the base for reflecting the concepts written in the preamble to the SDGs and identifying high impact areas through value chain. The past programmes focused on identifying negative impacts through value chain. However, this knowledge also helped to focus on what positive impacts could be produced if negative impacts were addressed.

The lesson from the past Stakeholder Engagement Programme is that when companies address human rights related risks, they should take the standpoint of their stakeholders. To develop such a viewpoint, companies need to develop grievance mechanisms, conduct dialogues with the people with human rights abuses and NGOs, and conduct human rights due diligence processes. In sum, companies should listen to the local voices of the people adversely impacted, identify their specific pressing issues, and address the issues with utilizing high expertise and strategies. And, companies should be held accountable for any harm they cause and outcomes of their actions, as well as should enhance their transparency by disclosing information linked to economic, environmental, and ethical aspects related to their businesses in order to ensure legitimacy of their business operations. By doing so, companies can earn "License to Operate" and trust from stakeholders which becomes a backbone for corporate sustainable competitiveness in the long run.

We would like to offer our great gratitude for Ms. Kaori Nomura from UNEP Finance Initiative who provided the knowledge on Human Rights Guidance Tool, and for Ms. Ikuho Miyazawa from Institute for Global Environmental Strategies who cooperated for implementation of SDG Compass into the 2016 Stakeholder Engagement Programme.

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Caux Round Table Japan
Nippon CSR Consortium
Minoru Matsuzaki
Hiroki Wada
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4   Human Rights Issues by Sector (draft)

As the result of the reviewing process in the programme this year, the newly added or edited parts are shown with underlines, while the deleted parts are shown under each table of the sectors.

4.1   Manufacturing (electricity, precision, machinery, others)

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.

4.1.1   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, recycle

4.1.2   Discussed products and services

Construction machinery

Small electronic devices

Office imaging equipment

Electronic measuring instruments

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4.1.3.   Potential human rights issues in the specified products and services, relevant value chains

Key human rights issues in the manufacturing sector (electricity, precision machinery, others)			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	· 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	· 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. · Progression of diseases by non-health checkups. · 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. · Lack of protective equipments such as finger sacks, gloves, masks, eye-plugs or progress of occupational diseases due to not wearing them	✓	✓	✓	✓	✓		
	Discrimination	During work	· Inequality in working conditions, training, and promotion, discrimination against female workers and sexual minorities, <u>sexual and power harassment.</u>	✓	✓	✓	✓	✓		✓
	Child labour	Minimum age	· 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	· "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	· Risk of long working hours may cause forced overtime, due to excessive quota requirements.	✓	✓	✓	✓	✓		
	Freedom of association and collective bargaining	—	· 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 · Potential insufficiency in protecting worker's right, where trade unions are banned or not fully implemented (including real cases where trade unions are banned).	✓	✓	✓	✓	✓		

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	· Designing and developing products, transporting and sale with low environmental burdens (less electric consumption, easy to recycle). [C/U/D/T/U] · Abuse and contamination of land and water at a factory or local construction site. [B/M/D]	✓	✓	✓	✓	✓	✓	✓
	Security	Non-state groups and security payments	· Potential diversion of funds, goods and services[6] to non-state groups, and armed groups. (e.g. conflict minerals[7])		✓					
Society and government	Relations with governments	Relations to states with poor human rights records	· 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. · Offshore development[C], road infrastructures [T],waste disposal[D]	✓	✓	✓	✓	✓	✓	✓
		Bribery and corruption	· 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, customs of the manufacturing industry, friendships when contracting and operating, as well as of being involved in corrupt practices when receiving orders from government. [S]	✓	✓	✓	✓	✓	✓	✓
Consumer	Relations with customers	Health and safety	· Potential positive impacts of changing consumer behaviours (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. [C/M]	✓		✓		✓	✓	✓

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[6] Voluntary Principles on Security and Human Rights to identify benchmarks (*http://www.voluntaryprinciples.org*)
[7] The law on using conflict minerals is now quite clear, and as part of their due diligence, companies need to take

[7] 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.

4.1.4   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 community[8]. [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]

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[8] Case profile: Tragigura lawsuits in Cote d'Ivoire.
(http://business-humanrights.org/en/trafigura-lawsuits-re-côte-d'ivoire#c9344)

4.2   Manufacturing (Infrastructures)

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

4.2.1   Key value chains in manufacturing sector (Infrastructure)

Create: research, development, design

Buy: capital investment, procurement

Manufacture: production, manufacturing

Transport: storage, logistics

Sell: distribution, sales and marketing

Use: consumption, utilization

Discard: disposal, recycle

4.2.2   Discussed products and services

·   Infrastructure

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

5.2.3   Potential human rights issues in the specified products and services, relevant value chains

Key human rights issues in the manufacturing (infrastructures) 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	・ 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 (increasing at-home overtime along with development of IT).	✓	✓	✓	✓	✓		
		Health and safety	・ 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.		✓	✓				
			・ Lack of protective equipments such as finger sacks, gloves, masks, eye-plugs or progress of occupational diseases due to not wearing them	✓	✓	✓	✓			
	Discrimination	During work/ Employment	・ Inequality in working conditions, training, and promotion, discrimination against female workers, disabilities, sexual minorities, ethnic groups and religions)	✓	✓	✓	✓	✓		✓
	Child labour	Minimum age	・ 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	・ "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	・ Risk of long working hours may cause forced overtime, due to excessive quota requirements.	✓	✓	✓	✓	✓		
	Freedom of association and collective bargaining	—	・ 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 ・ Potential insufficiency in protecting worker's right, where trade unions are banned or not fully implemented (including real cases where trade unions are banned).	✓	✓	✓	✓	✓	✓	

Key human rights issues in the manufacturing (infrastructures) 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 and infrastructures	· Designing and developing products with low environmental burdens (less electric consumption, easy to recycle). [B/M/D] · Grabbing of lands that local people can access to water in and can use for agricultures as basis of their lives.		✓	✓				✓
Community	Security	Non-state groups and security payments	· Potential diversion of funds, goods and services[9] to non-state groups, and armed groups. (e.g. conflict minerals[10])			✓				
Society and government	Relations with governments	Relations to states with poor human rights records	· 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.		✓	✓				
Society and government	Relations with governments	Relations to states with poor human rights records	· Possible risks that standards of local laws are lower than international standards.	✓	✓	✓	✓	✓	✓	✓
Society and government	Relations with governments	Bribery and corruption	· Potential risk of being involved in bribery and corruption, such as facility payments, especially at time of obtaining licenses and authorizations. [M]		✓	✓	✓	✓		
Society and government	Relations with governments	Bribery and corruption	· Possible risks of corruption when entering into a contract, customs of the manufacturing industry, friendships when contracting and operating, as well as of being involved in corrupt practices when receiving orders from government. [S]					✓		
Consumer	Relations with customers	Health and safety	· Potential risk to the lives or bodies of end consumers are created due to a defect in specified products and services provided through the customer/clients	✓	✓	✓		✓	✓	✓
Biodiversity			· Negative impacts on marine resources and terrestrial ecosystem.			✓			✓	
Education			· Potential risk to include expression that may cause violations of human rights in corporate reports and commercials.						✓	

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[9] Voluntary Principles on Security and Human Rights to identify benchmarks (http://www.voluntaryprinciples.org)
[10] 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.

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4.2.4   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 community[11]. [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]

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[11] Case profile: Tragigura lawsuits in Cote d'Ivoire.
http://www.business-humanrights.org/Categories/Lawlawsuits/Lawsuitsregulatoryaction/LawsuitsSelectedcases/Trafiguralaw suitsreCtedIvoire

4.3   **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.

4.3.1   **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

CAUX ROUND TABLE

4.3.2   Potential human rights issues in the specified products and services, relevant value chains

Key human rights issues in ICT sector			Concrete issues *Highly relevant value chains are shown in parentheses [ ].	Create	Buy	Produce	Sell	Use	Discard
Core operation/ Supply chain	Workplace conditions	Working hours	・ 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 (outsource providers) and/or System Integrators may not be ensured, because political and economic factors are different from Japan. [C/P/U]	✓	✓	✓	✓	✓	
		Health and safety	・ Long working hours may cause health problems, especially mental health problems ・ Possible risks to safety and health due to work at facilities of networks	✓		✓	✓	✓	
	Discrimination	During work	・ Gender (discrimination against female workers), sexual orientation and nationality inequality in training and promotion ・ Female workers may be transferred to other departments without their will, after taking maternity leave. Workers who take care of other family members may be transferred to other departments without their will.		<u>✓</u>	✓		✓	
	Forced or compulsory labour	Forced overtime	・ Excessive quota requirements may lead to long working hours and forced overtime. ・ <u>Forced labour may be conducted in sites of equipment suppliers</u>	✓		✓	✓	✓	
	Freedom of association and collective bargaining	Conflict with local law	・ Freedom of association and collective bargaining may not be ensured.	✓		✓			
	Protection and storage of personal data	—	・ Personal information held by the company may be leaked. ・ Personal information may be gathered and used without gaining agreement of individuals. [S/U] ・ Inadequate education to employees who deal with management of personal information may not contribute to a rise in awareness of them. [S/U] ・ Consumers may not be able to acquire ways to recognize and avoid risks due to inadequate trainings and education on risks of personal information to them. [U]			✓	✓	✓	✓

"Check" was removed from "Create", "During Work" and "Discrimination".

Key human rights issues in ICT sector (continued)			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.)	· Environmental friendly energy use at a data centre (e.g. energy saving, responsible power source management.) and water use [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] · Conflict minerals may be used in equipments. [B/U/D]		✓			✓	✓
		Use of infrastructure	· Having a positive impact on local communities such as by improving local infrastructure through the establishment of an ICT network system. [P/U] · Users' social lives may be threated by suspension of service caused by electricity and technical trouble. [U]			✓		✓	
	Community investment	—	· 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	· 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	· 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]	✓				✓	
	Relations with society		· Potential risks of being complicit in activities of terrorist and criminal groups through the use of technology. · Potential risks of being complicit in crime and violations of human rights by the unintended use of technology					✓	

Key human rights issues in ICT sector (continued)			Concrete issues *Highly relevant value chains are shown in parentheses [ ].	Value Chain					
				Create	Buy	Produce	Sell	Use	Discard
Consumer	Relations with customers	—	· 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. · Possible risks of violating human rights due to improper websites (suicide websites) and improper use of ICT (revenge porn). · Violence on the Internet, verbal abuses, and porn may pose risks of giving adverse impacts on psychological development of children. [U]				✓	✓	

4.4   **Logistics and Transport**

4.4.1   **Key value chains in logistics and transport**

Create: research, development

Buy: capital investment, procurement of ships, vehicles, aircrafts, and fuel

Sell: promotion, sales

Transport: storage, logistics, transportation

Discard: disposal, recycle

4.4.2   **Discussed products and services**

Compound logistics business, logistics (land, marine, air), transport(aircraft, freight)

4.4.3 Potential human rights issues in the specified products and services, relevant value chains

Key human rights issues in logistics and transport sector			Concrete issues *Highly relevant value chains are shown in parentheses [ ].	Value Chain				
				Create	Buy	Sell	Transport	Discard
Core operation/ Supply chain	Workplace conditions	Working hours	※ Logistics and Traffic industries are a labor-intensive industry. Though it is anticipated that mechanization is further advanced in the future, laborious work of human beings will still remain. ・ Long working hours at fields and subcontracting companies especially in busy seasons. ・ Long working hours such as night work and early morning work due to time difference with other countries ・ Because logistics industry has the public nature, unexpected long working hours may happen during occurrence of disasters.				✓	
		Low wages	・ Wages may be lower than levels of wage ・ Working hours may get longer due to expansion of mail-order markets. As a result, wages per unit of time decrease				✓	
		Health and safety	※ Dangerous work always exist in sites of logistics and traffic such as loading and unloading heavy objects, transporting, using large machines, vehicles, work nearby trains, aircrafts and ships. It is important to make daily efforts to prevent risks from occurring so as to keep working places safe. ・ Workplace accidents could occur due to lack of sufficient safety instructions at site where heavy machinery and cargos operate, such as terminal, aircrafts and airports, and ship under operation for marine transportation industry. (shipping industry) ・ Safety of workers in marine transportation industry when in waters in which piracy can take place ・ Because logistics industry has the public nature, secondary disasters of labor hazards may occur ・ Long working hours may cause mental health risks. ・ Potential risks of causing forced and child labour, and threatening health and safety of workers and others in supply chains.				✓	
	Discrimination	During work	※ As lack of human capital due to a shrinking population is anticipated, personnel and forms of employment such as contract/temporary workers, ex-employer based on reemployment system, the change of the employment status of temporary employees to regular employees, reduction of working hours, working at home. ・ Inequality in working conditions, training and promotion may occur due to various types of employments and various human capitals. ・ Foreigner nationals may face discriminatory treatment in employment and payment. ・ Uniform treatment to workers without due concern for diversity elements such as religions and cultures.				✓	

Key human rights issues in logistics and transport sector (Continued)			Concrete issues *Highly relevant value chains are shown in parentheses [ ].	Value Chain				
				Create	Buy	Sell	Transport	Discard
Community	Resources	Use of natural resources	※ Diversification of power generation by the user of fossil fuels, nonconventional natural gas resources, as well as natural energy makes a progress. ・ 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] ・ Environmental destruction such as soil contamination, water quality degradation, air pollution may occur due to construction and use of factories/logistic centers, roads, railroads, ports and airports ・ Procurement and use of fossil fuel, and inefficient use of resources may cause climate change which gives a negative impact on lives of people. ・ Efficient use of natural resources can contribute to sustainable development (positive impact).		✓		✓	
		Use of infrastructure	・ Vehicles, ships, and aircrafts operated by companies may cause a damage on roads and ports where they operate ・ Disasters may damage infrastructures and disrupt logistics. ・ Efforts to recover infrastructures such as roads and logistic centers after disasters, and maintain basic infrastructure for local daily life (positive impact).	✓	✓			✓
	Security		・ Potential risk of giving a negative impact on health and safety of customers, the public, and other stakeholders. ・ Potential risk of excess use of force like violence by national navies dispatched to areas where piracy is occurring or by armed guard hired by a company to protect logistic centers in less secure areas. ・ Potential risk of excess use of force like violence by armed guard on-board ships to mariners and piracy. (shipping industry) ・ A potential risk to navies, piracy may abuse the rights of local communities such as fishermen. (shipping industry)				✓	

Key human rights issues in logistics and transport sector (Continued)			Concrete issues *Highly relevant value chains are shown in parentheses [ ].	Value Chain				
				Create	Buy	Sell	Transpor	Discard
Community	Community Investment		· Possible contribution to local people living in areas by cooperation for operation of relief suppliers sites, transportation of relief and support suppliers to shelters during occurrence of disasters (positive impact). · Possible contribution to culture development, job creation, tourism promotion, industrial vitalization, and enhancement of the local infrastructure by making a long-term commitment and connecting people and goods (positive impact)	✓		✓	✓	
Society and government	Relations with governments	Bribery and corruption	· Possible risk of being involved unintentionally 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	Illegal dealing, Trafficking	Trafficking in human	· Potential risk of direct association with trafficking through the transportation of trafficking victims (via international airlines and shipping companies). · Potential risk of transporting banned goods			✓	✓	

"Check" was delected from "Buy" and "Community Investment".

4.5   Chemical and Building Materials

Key value chains applicable to the chemical and building materials sector were classified into seven categories, and concrete issues were further explored.

4.5.1.   Key value chain in the Chemical and Building Materials Sector

R&D, Procure, Produce, Transport, Sell, Use, Discard

4.5.2.   Value chain and key human rights issues in Chemical and Building Materials sector

✓✓ indicates very important. ✓indicate important.

Key human rights issues in chemical and building material sectors			Concrete issues	Value Chain						
				R&D	Procure	Produce	Transpor	Sell	Use	Discard
Core operation/Supply chain	Workplace condition	Working hours	· BtoB companies may face possible occurrence of overtime work arising from receiving orders without consideration of resources. (one's company and supply chain) · Not enough understanding on the degree of importance in working hour management corresponding to working conditions that differ according to countries/areas. (supply chain)	✓	✓ ✓	✓	✓	✓		
		Health and safety	· There are relatively many sources of risks as the industry that use hazardous substances (chemical substances) and large scale facilities. (one's company and supply chains) · Possible risks of causing health hazards to employees and final consumers if suppliers do not provide complete information on chemical substances. (one's company and supply chain) · Possible risks of violating human rights by outsourcing companies that conduct safety and functionality tests to human beings with poor ethical values. (supply chains)	✓	✓ ✓	✓ ✓	✓	✓	✓	✓
		Disciplinary measures	· Because practices of disciplinary measures differ largely according to countries and regions, there are possible risks of developing policies on disciplinary measures that do not match regions. (one's company) · Inadequate grievance mechanisms against disciplined persons (one's company) · Difficulty in understanding actual situations of disciplinary measures against suppliers, because practices of disciplinary measures differ largely according to countries and regions. (supply chains)	✓	✓	✓	✓	✓		✓

Key human rights issues in chemical and building material sectors (continued)			Concrete issues	Value Chain						
				R&D	Procure	Produce	Transport	Sell	Use	Discard
Core operation/Supply chain	Discrimination	During work	· Cases of discrimination issues differ in areas and time (for instance, discrimination against sexual minorities has occurred in 2015). Elimination of discrimination during work globally remains unsolved. (one's company and supply chains) · Possible risks of violating human rights of disabled people due to the delay of development of working places. (one's company and supply chains	✓	✓	✓	✓	✓	✓	✓
		Redundancy and dismissal	· Clear and convincing selection standards may not be presented during redundancy and dismissal (one's company and supply chain) · Possible risks such as taking a legal case from not conducting an appropriate communication based on standards of judgment for redundancy. (one's company and supply chains)	✓	✓	✓	✓	✓	✓	✓
	Forced Labour	Deposits and papers	· There are high reputational risks during occurrence of forced labour, because the presence or absence of migrant workers is not globally and comprehensively identified. (one's company and supply chains)	✓	✓✓	✓	✓	✓	✓✓	✓
		Forced overtime	· BtoB companies may possibly demand forced overtime, because they receive orders without consideration of their resources (volunteer overtime work ends up being overtime work) (one's company and supply chains)	✓	✓✓	✓	✓	✓	✓	✓
		Trafficking in human	· There are high reputational risks during occurrence of forced labour, because the presence or absence of migrant workers is not globally and comprehensively identified. (one's company and supply chains)	✓	✓	✓	✓	✓	✓	✓
	Freedom of association	Freedom of association and collective bargaining	· Possible risks of facing a production suspension due to occurrence of strikes and boycotts, if negotiation between management and labour is not conducted correctly. (one's company and supply chains) · Employees may not have a means to discuss issues related to labour without interference of companies. (one's company and supply chains)	✓	✓	✓	✓	✓	✓	✓

Key human rights issues in chemical and building material sectors (continued)			Concrete issues	Value Chain						
				R&D	Procure	Produce	Transport	Sell	Use	Discard
Core operation/Supply chain	Freedom of association	Conflict with local law	· Possible risks of facing a production suspension due to occurrence of strikes and boycotts, if negotiation between management and labour is not conducted correctly. (one's company and supply chains) · Employees may not have a means to discuss issues related to labour without interference of companies. (one's company and supply chains)	✓	✓	✓	✓	✓	✓	✓
Community	Resources	Use of natural resources	· The industry may give a huge impact to local communities, as it uses a relatively large amount of resources and has a potential for causing pollution damage by discharge and leak of hazardous materials. (one's company and supply chains) · Possible risks of water depletion due to construction of factories and deforestation. (supply chains) · Possible risks of causing an adverse impact on local communities due to depletion of natural resources. (supply chains)	✓	✓ ✓	✓ ✓	✓	✓	✓	✓
Society and government	Relations with governments	Bribery and corruption	· Due to an extension of the scope of application of legislation on bribery and increase in enormous surcharge payment, there are potential impacts of giving to stakeholders such as employees and investors (one's company and supply chains) · Bribery and excessive treatment to foreign public officials, risks of excessive payment to smoothen transactions, risks of receiving an order of suspension of operations from not engaging. (one's company and supply chains)		✓ ✓	✓	✓	✓ ✓		✓

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CAUX ROUND TABLE

Key human rights issues in chemical and building material sectors (continued)			Concrete issues	Value Chain						
				R&D	Procure	Produce	Transport	Sell	Use	Discard
Society and government	Relations with governments	Gov'ts with poor human rights records	· Potential risks of being involved in violations of human rights due to operations in countries with poor human rights activities. (one's company and supply chains) · Potential risks of being involved in violations of human rights by gaining permissions from local governments (reputational risks by operations in countries with poor human rights records and risks involved in human rights abuses) (one's company and supply chains) · Potential risks of squeezing profits, because it requires more resources to undertake activities to raise awareness of human rights. (one's company)		✓ ✓	✓	✓	✓	✓	✓
	Relations with consumers	Health and safety	· Potential risks of causing health hazards to consumers, because chemical materials are used. Also, risks are present if information on value chains is not properly shared. (one's company and supply chains)						✓	✓

4.5.3 History of Revision (July, 2016)

1. The sector reviewed supply chain and the segment name of supply chain.

2. The sector recognized the importance of focusing on upstream supply chain, following consideration on the opinions of NGOs/NPOs and discussions on the SDGs contents.

3. Based upon the gained understanding, the sector reviewed the key human rights outlined in UNEP FI and recognized the importance of understanding and addressing invisible risks thoroughly in supply chain stages of "procurement" and "produce".

4. The sector created a double-check status(✓✓) to emphasize great risks in upstream supply chain.

CAUX ROUND TABLE

4.6 Food

Key human rights issues in food sector			Concrete issues	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Core operation / Supply chain	Workplace conditions	Working hours	・ Long working hours may be a burden at manufacturing factories including those of supplirs and within logistics networks that distribute the goods due to low wages not matching local standards of living, and piece-rate work.	✓	✓	✓	✓	✓		✓
		Wages	・ Wage levels are lower than local standard of living ・ Proper wages are not paid to workers due to application of piece-rate work ・ Improper low wages in under Technical Intern Training Program		✓	✓				
		Health and safety	・ Risk of jeopardizing health and safety of employees and workers in production (including supply chain) and R&D processes, due to causes such as mis-handling of chemical substances and agri-chemicals, and inadequate health and safety programs.	✓	✓	✓				✓
			・ Accidents during operation of vehicles		✓	✓	✓	✓		✓
	Discrimination	Employment	・ Risk of discrimination during the recruitment process, based on race, gender, religion, origins, sexual orientation, disabilities, beliefs in local employment.	✓	✓	✓	✓	✓		✓

Key human rights issues in food sector (Continued)			Concrete Issues	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Core operation / Supply chain	Discrimination	During work	· Non-Japanese employees/workers may not properly get access to safety education because of language barriers. · Insufficiency in safety trainings for temporary employees/workers · Temporary employees/workers may suffer from precarious employment.	✓	✓	✓	✓	✓		✓
		Assessment and Treatment	· Risks of discriminatory assessment and treatment based on race, gender, religion, origins, sexual orientation, disability, ethnicity, belief	✓	✓	✓	✓	✓		✓
	Child labour	—	· Child under the minimum labor age may possibly be employed at suppliers of raw materials · There is a risk that children lose the right to education.		✓					
	Forced or compulsory labour	—	· 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. · Risk of forced labour against immigrant workers · Risk that illegal immigrants may receive inhumane treatment. · Exploitation of technical intern trainees and their involvement in dangerous work		✓	✓	✓			
	Freedom of association and collective bargaining	Conflict with local law	· 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.		✓	✓				

Key human rights issues in food sector (Continued)			Concrete Issues	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Community	Resources	Use of natural resources	· Large-scale commercial agriculture, fishery and forestry at suppliers of raw materials increase risks of decrease in agricultural production and fish hauls of small-scale community operations · Large-scale commercial agriculture and forestry may also adversely impact on access to water for the community and local ecological systems · Culturally / historically / religiously important sites for local communities or indigenous people may be damaged. · A single crop production (change to cash crops) may cause a loss of food self-sufficiency system. · Construction of factories may cause damage on the access right to water of local people living in proximity with them. · Water risks due to climate change		✓	✓				
	Access to land	Title to land	· Titles to the land of local people or indigenous groups may be ignored, especially when constructing factories.			✓				
			· Risk of deprivation of the rights of local people by enclosures of agricultural lands		✓	✓				
Society and government	Relations with governments	Bribery and corruption	· 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, and manufacturing.		✓	✓				

Key human rights issues in food sector (Continued)			Concrete Issues	Value Chain						35
				Create	Buy	Manufacture	Transport	Sell	Use	Discard
Consumer	Health and safety	Provision of proper information	· Risks to consumer health from inadequate labelling · Incorrect understanding of consumers on food caused by insufficient provision of knowledge on food for consumers					✓	✓	
		Responsible marketing	· Risks of leading consumers (especially young people) to wrong food eating habits due to improper marketing.					✓	✓	
		Quality control	· Risks of harming the health of consumers when quality control is not fully practiced. · Intentional quality obstruction	✓	✓	✓	✓	✓	✓	
	Privacy Protection	-	· Risks of leaking personal information gained through consumer campaigns, mail order sales, and member registration						✓	

4.7   Consumer Goods (sports and daily goods)

Key human rights issues in consumer goods sector			Concrete issues	Value chains						
				Create	Buy	Manufacture	Transfer	Sell	Use	Discard
Core operation / supply chain	Working Conditions	Working hours	· Long working hours may be caused by (a) production schedules that presuppose overtime work, as well as in attempting to meet delaines in the sewing process in upstream, (b) low wages not matching local standards of living, (c) piece-rate work, and (d) repair work of a large volume of inferior products · Rest days required by law may not be given, and limits of overtime hours may not be regulated due to improper labor management.	✓	✓	✓		✓		
		Wages	· Pressure from buyers for cost reductions may result in infringement of minimum wage legislation. · Frequent revisions of minimum wages in some countries may result in infringement of minimum wage legislation. · Risks that proper rewards for overtime hours are not paid, caused by poor compliance with laws and poor labor management. · Proper rewards for productivity may not be paid.	✓	✓	✓		✓		
		Health and safety	· Education on safety and health, including emergency drills, first-aid drills, and handling instructions on toxic chemical substances may not be conducted or may not be conducted properly. · Insufficient efforts to improve a harmful working environment to heaths such as loud noise, vibration, temperature, ventilation and exhaust may cause heath hazards. Risks of having pregnant women and young people engage in dangerous or injurious work. · Workers may be exposed to danger and harm due to aging buildings, illegal construction and improper provision of emergency exits and escape routes.	✓	✓	✓				
		Harassment	· Workers may be exposed to physical, sexual, mental and verbal harassment and abuses.	✓	✓	✓		✓		

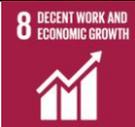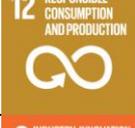| Key human rights issues in consumer goods sector (continued)			Concrete issues	Value chains						
				Create	Buy	Manufacture	Transfer	Sell	Use	Discard
Core operation / supply chain	Working Conditions	Disciplinary measures	· Improper contents of rules of employment may cause improper disciplinary measures and treatments.	✓	✓	✓		✓		
		During employment During work	· Risks of conducting an unequal recruitment and employment that place limits on gender, age, race and religion. · Risk of facing gender, age, race and religion inequality in working places, training and promotion opportunities.	✓	✓	✓		✓		
	Child labour	Minimum age	· Children under the minimum age may be permitted to work without confirmation of their identification papers, or based on forged papers. · Children under the minimum age may be exposed to child labor due to poverty.		✓	✓				
	Forced or compulsory labour	Forced overtime Human trafficking	· Workers may be forced to work by violence, threat of violence, and any other forms of violence. · Workers may be forced to do overtime work. · Workers may be forced to work in labor conditions that they do not agree with, and labor contracts are not shown in a written format. · Foreign technical trainees in Japan may be restricted on their liberty, due to deprivation of Certificate of Alien Registration (card), passport, and residence card, and forced deposits. · Immigrants and refugees overseas may be forced to work by being taken an advantage of their vulnerabilities.	✓	✓	✓				
	Freedom of association		· Companies may refuse formation of labor unions and collective bargaining without any legitimate reasons, and may give disadvantageous treatment and dismissal to union members. · Workers may get fired by reasons of a strike.	✓	✓	✓				

Key human rights issues in consumer goods sector (continued)			Concrete issues	Value chains						
				Create	Buy	Manufacture	Transfer	Sell	Use	Discard
Community	Resources	Global warming	· Efficient use of energy and reduction of CO2 emission. (climate change)	✓	✓	✓	✓	✓	✓	✓
		Water stress	· Use of a large amount of water in tanneries and dyeing factories, and pollution of rivers by inflows of toxic chemical materials may cause an adverse impact on the local environment and heaths of the local residents living around in those affected areas.		✓	✓				
			· A large amount of water may be used during production of raw materials such as cotton, cows, and natural rubber.	✓						
		Terrestrial resources	· Manufacturing products may cause an adverse impact on protection of forest eco-systems.	✓	✓	✓	✓			
		Marine resources	· Manufacturing plastic products may cause an adverse impact on protection of marine eco-systems.	✓						
		Depletion of natural resources	· Depletion of non-renewable natural resources such as oil and gas	✓	✓	✓	✓	✓	✓	✓
		Waste disposal	· Risks of leaving waste disposals and dumping wastes illegally from not using proper agents. · Risks of harming the environment from making less efforts to reduce wastes.		✓	✓	✓	✓	✓	✓
Consumer	Relations with consumers	Health and Safety	· Inadequate efforts to create a positive impact for promoting fair-trade, building an ethical market, and raising awareness of consumers.	✓				✓	✓	
			· Inadequate efforts to enhance quality and safety of goods and mitigate risks for consumers.	✓	✓	✓	✓	✓	✓	✓
			· Inadequate efforts to improve traceability of materials and goods.	✓	✓	✓	✓	✓	✓	
			· Insufficient efforts to solve consumer issues through goods and services.	✓	✓	✓	✓	✓	✓	

CAUX ROUND TABLE

5   Priorities on the SDGs by Sector (draft)

5.1   Manufacturing (electricity, precision, machinery, others)

INCREASING POSITIVE IMPACT

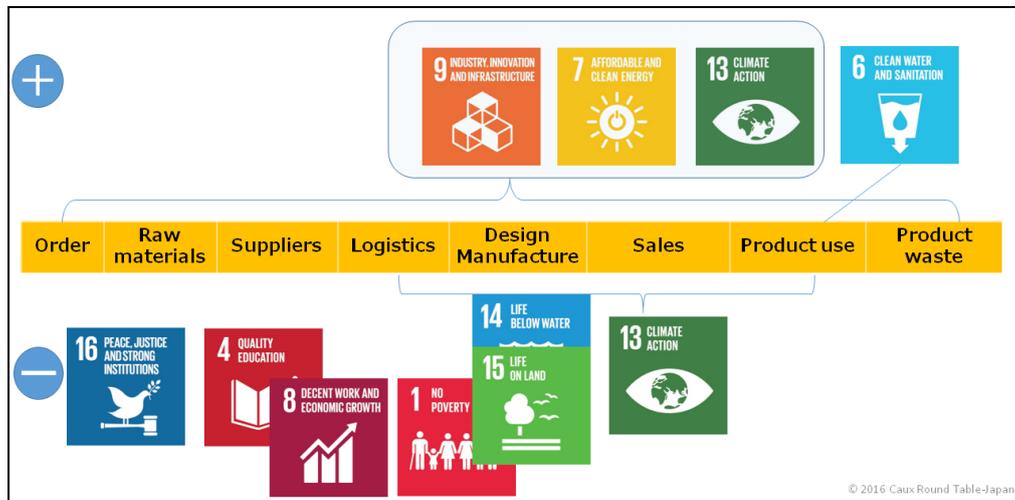|	SDGs #	Reasons
+	4 QUALITY EDUCATION	Education Education is important for all the segments of value chain capacity building in areas with operations, human resource development, capacity development for suppliers, education for local residents by employees etc.,
	8 DECENT WORK AND ECONOMIC GROWTH	Employment (Promoting decent work) SDGs Target Goals:8.2, 8.5 SDGs Target Goals:8.2, 8.5 employment creation, promotion of employment
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Recycle SDGs Target Goals : 12.4, 12.5 Environment management through product-recycle, re-use of parts, re-use promoted designs, publication of sustainability reports etc.,
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Construction of infrastructure Most of the SDGs 9 targets can be chekced. Role in information infrastructure and city development.
	17 PARTNERSHIPS FOR THE GOALS	Technology SDGs Target Goal 17.6~17.8 Other items aggregated into technology. Key point for manufacturing industry. Contribution to sustainable development through both hard and soft innovation
	15 LIFE ON LAND	Sustainable forest management SDGs Target Goals : 15.1, 15.2 Plantation of trees by volunteer employees (social contribution activities)

MINIMIZING NEGATIVE IMPACT

	SDGs #	Reasons
-	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peaceful, Justice, Effective system Conflict minerals. SDGs Target Goals : 16.4 Addressing supplier issues in the electrical and electronic industry SDGs Target Goals : 16.5 Prevention of any forms of corruption and bribery
	8 DECENT WORK AND ECONOMIC GROWTH	Employment (Decent work) SDGs Target Goals : 8.7, 8.8 Addressing human rights Addressing forced labour issues and human rights issues of migrant workers
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste of products SDGs Target Goals : 12,4, 12.5 Management of waste through product life cycle Damage to health of residents (esp. children) by e.g. illegal dumping of overseas electronic equipment waste
	3 GOOD HEALTH AND WELL-BEING	Healthy life SDGs Target Goals : 3.9 hazardous chemicals air, water, and soil pollution
	6 CLEAN WATER AND SANITATION	Accessibility of water and hygiene and sustainable management SDGs Target Goals : 6.3 Reduction of pollution, Abolition of dumping Minimising release of hazardous chemicals Reducing by half untreated wastewater; re-use other half
	5 GENDER EQUALITY	Achieving gender equality SDGs Target Goals : 5.1, 5.b Prevent discrimination to women in working conditions, and during promotion and training
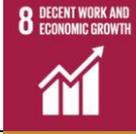
5.2 Manufacturing (Infrastructure)

INCREASING POSITIVE IMPACT

	SDGs #	Reasons
+	6 CLEAN WATER AND SANITATION	Contributing to solution for water shortages
	7 AFFORDABLE AND CLEAN ENERGY	Improving energy efficiency, e.g. hydrogen and turbine
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Using hydrogen to realise a fully recycling society.
	13 CLIMATE ACTION	Reducing carbon dioxide emissions energy-saving products renewable energy

MINIMIZING NEGATIVE IMPACT

	SDGs #	Reasons
-	1 NO POVERTY	Violations of indigenous rights
	4 QUALITY EDUCATION	Loss of educational opportunity for children due to child labour
	8 DECENT WORK AND ECONOMIC GROWTH	Sub-standard labour and environment conditions in suppliers
	13 CLIMATE ACTION	Environmental destruction by large carbon dioxide emissions during both manufacturing and usage stages
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Risk of being involved in bribery and corruption when conducting business in developing countries
	14 LIFE BELOW WATER 15 LIFE ON LAND	Adverse impacts on ocean resources and terrestrial ecosystem
	4 QUALITY EDUCATION	Advertisements and other company publications can inadvertently contribute to human rights violations
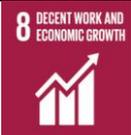
5.3 Information, Communication, and Technology and Consulting

INCREASING POSITIVE IMPACT

	SDGs #	Reasons
+	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Using IT solutions enables to build resilient infrastructure and promote innovation that becomes current industries more sustainable.
	11 SUSTAINABLE CITIES AND COMMUNITIES	IT solutions will be effective in addressing a wide range of issues of Goal 11, including making cities sustainable through protecting people in vulnerable situations, strengthening resilience to disaster, reducing adverse environmental impacts, and preventing crime, amongst others.

MINIMZINNG NEGATIVE IMPACT
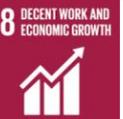
	SDGs #	Reasons
–	8 DECENT WORK AND ECONOMIC GROWTH	As ICT technology can solve many issues, long hours and overwork tend to occur at the stage of development research, leading to an adverse impact on the health of employees.
	11 SUSTAINABLE CITIES AND COMMUNITIES	Abuse of advanced ICT technology can lead to several risks, including damage to social infrastructure services and leaks of information.
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Abuse of advanced ICT technology can also result in threats to peaceful and inclusive societies
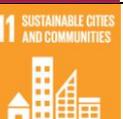
5.4 Transport and Logistics

INCREASING POSITIVE IMPACT

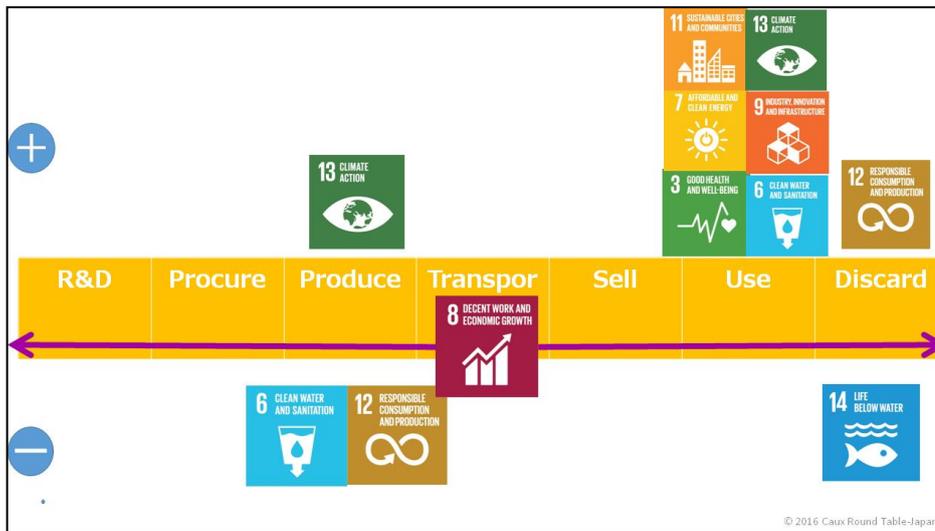|	SDGs #	Reasons
+	**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**	Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation We can contribute to SDG 9 through developing and adopting environment-friendly transportation technology, e.g. through technology for sustainable fuels. (Create) We can contribute to SDG 9 by developing reliable and resilient transport and logistics infrastructure that supports economic and human development. (Transport)
	8 DECENT WORK AND ECONOMIC GROWTH	Goal 8. Promote inclusive and sustainable economic growth, full and productive employment and decent work for all We can contribute to SDG 8 through promoting inter- and intraregional development, through encouraging industrial, touristic, job creation, and cultural exchange. (Selling and Transport)
	11 SUSTAINABLE CITIES AND COMMUNITIES	Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable We can contribute to SDG 11 by supporting relationships between cities and regions and community development through providing safe and inexpensive transport and logistics. (Transport)
	7 AFFORDABLE AND CLEAN ENERGY	Goal 7. Ensure to affordable, reliable, sustainable and modern energy for all We can contribute to SDG 7 through improving the ratio of renewable energy and fuel efficiency within operations of e.g. ships, aircraft, and vehicles. (Transport)
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Goal 12. Ensure sustainable consumption and production patterns We can contribute to SDG 12 by promoting sustainable consumption and production, through ensuring speedy and safe delivery of products, multi-modal transportation, and reducing food loss during the supply chain from crop harvest to the post-production stage. (Transport)
	14 LIFE BELOW WATER	Goal 14. Conserve and sustainability use the oceans, seas and marine resources for sustainable development We can contribute to SDG 14 through promoting ballast water treatment systems, thereby reducing the impact on the ecosystem of ballast water drainage. (Waste)

MINIMIZING NEGATIVE IMPACT

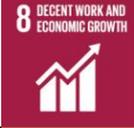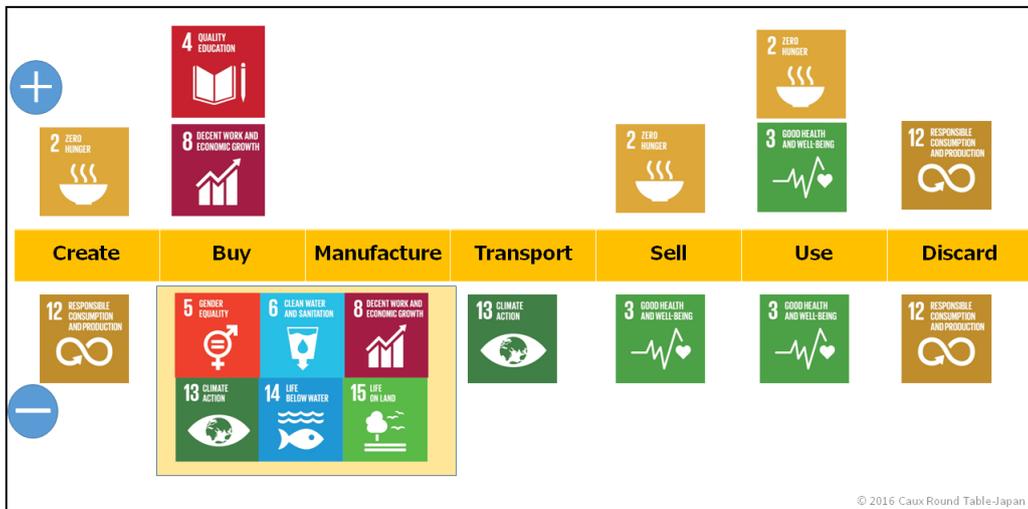|	SDGs #	Reasons
-	**7 AFFORDABLE AND CLEAN ENERGY**	Goal 7. Ensure to affordable, reliable, sustainable and modern energy for all We can reduce negative impacts on SDG 7 through increasing ratio of Green Energy and fuel efficiency.(Purchasing)
	13 CLIMATE ACTION	Goal 13. Take urgent action to combat climate change and its impacts We can reduce negative impacts on SDG 13 by reducing emissions of CO_2 and other greenhouse gases during transportation (Transport)
	3 GOOD HEALTH AND WELL-BEING	Goal 3. Ensure healthy lives and promote well-being for all at all ages We can reduce negative impacts on SDG 3 by preventing accidents during shipping, taking measures to implement the Piracy Act, and preventing oil spillage. (Transport)
	8 DECENT WORK AND ECONOMIC GROWTH	Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all We can reduce negative impacts on SDG 8, by addressing appropriately issues of long hours and foreign labourers (including Technical Intern Training Programme labourers) and not being complicit in the transport of victims of human trafficking or forced labour. (Transport)
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels We can reduce negative impacts on SGS 16 by preventing any corruption or bribery, and ensuring we do not transport prohibited goods. (Transport)
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Goal 12. Ensure sustainable consumption and production patterns We can reduce negative impacts on SDG 12 by preventing waste and ensuring recycling of transport equipment, materials, and foodstuffs for passengers. (Waste)

5.5 Chemical and Building Materials

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INCREASING POSITIVE IMPACT

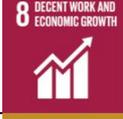|	SDGs #	Reasons
+	**3 GOOD HEALTH AND WELL-BEING**	Useful materials that contribute to the world such as sanitary fittings (utility products), medical suppliers, healthy, water pollution
	6 CLEAN WATER AND SANITATION	Useful materials that contribute to the world, such as access to sanitary facility, water-saving, water reuse
	7 AFFORDABLE AND CLEAN ENERGY	Useful materials and facilities that contribute to improvement of energy efficiency, such as power generation, storage of electricity, energy saving
	8 DECENT WORK AND ECONOMIC GROWTH	Promoting decent work is fundamental for achieving the above sustainable development agendas
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Useful materials and facilities that contribute to construction of resilient infrastructure (Developing countries)
	11 SUSTAINABLE CITIES AND COMMUNITIES	Useful materials and facilities that contribute to construction of resilient infrastructure (Developing countries)
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Recycling plastic and packing materials contributes to elimination of waste and effective use of natural resources
	13 CLIMATE ACTION	Useful materials addressing climate change. This industry consumes a large amount of energy in manufacturing and can share know-how with others

MINIMZING NEGATIVE IMPACT

	SDGs #	Reasons
-	**6 CLEAN WATER AND SANITATION**	Causing water pollution must be avoided
	8 DECENT WORK AND ECONOMIC GROWTH	Promoting decent work is fundamental for accomplishing the above sustainable development agendas
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Exposure to chemical substances or other hazardous substances must be avoided
	14 LIFE BELOW WATER	Challenges in eliminating plastic trash in the ocean

CAUX ROUND TABLE

5.6 Food

| Create | Buy | Manufacture | Transport | Sell | Use | Discard |

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INCREASING POSITIVE IMPACT

	SDGs #	Reasons
+	2 ZERO HUNGER	Developing nourishment-rich food
	3 GOOD HEALTH AND WELL-BEING	Providing healthy and functional food
	4 QUALITY EDUCATION	Developing high production value crops and food by gaining knowledge on food
	8 DECENT WORK AND ECONOMIC GROWTH	Employment for a large number of manual laborers Securing employment in rural areas
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Loss of food reduction and effective use of food

MINIMZING NEGATIVE IMPACT

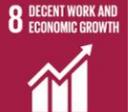|	SDGs #	Reasons
	3 GOOD HEALTH AND WELL-BEING	Mass sales of food considerably lacking nutritional balance Sales of malnutritional food by large amount of corporate advertisement
	5 GENDER EQUALITY	Unequal working environment for women
	6 CLEAN WATER AND SANITATION	Use of a large amount of water (agriculture, processing) Shortage of drinking water due to exploitation of a large amount of underground sources
	8 DECENT WORK AND ECONOMIC GROWTH	Child labour and forced labour Poor working conditions (cold/hot)
-	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	A lot of food waste
	13 CLIMATE ACTION	CO2 emissions during transportation Deforestation Slash-and-burn farming
	14 LIFE BELOW WATER	Overfishing Discharging pesticides from factories to rivers
	15 LIFE ON LAND	Pesticide spraying and genetic modified products for mass production Single crop cultivation at plants Felling primacy forests (biodiversity and indigenous peoples)

5.7 Consumer Goods (Sports Goods and Daily Goods)

INCREASING POSITIVE IMPACT

	SDGs #	Reasons
+	3 GOOD HEALTH AND WELL-BEING / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Companies of the consumer goods sector have opportunity to raise awareness on health, and promote health and address lack of exercise through sports
	6 CLEAN WATER AND SANITATION	Reducing a large amount of water usage during the use of products can ensure access to sustainable water resource
	15 LIFE ON LAND	Contribution to empowerment of women by selling and using personal care products and cosmetics

MINIMIZING NEGATIVE IMPACT

	SDGs #	Reasons
-	8 DECENT WORK AND ECONOMIC GROWTH	Challenges in identifying problems on labour and human rights in upstream supply chains
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Consumer goods manufacturers are using limited natural resources to manufacture their products. Therefore they need to work towards the sustainable use of the resources
	6 CLEAN WATER AND SANITATION / 3 GOOD HEALTH AND WELL-BEING	Use of hazardous chemicals poses the risk of water pollution in supply chains. Measures need to be taken to prevent such pollution
	14 LIFE BELOW WATER	Large amounts of plastics used for products, packaging and raw materials (e.g. microbeads) may cause marine pollution. Measures need to be taken to prevent such pollution