

Global Stakeholder Engagement Program

Overview

Date: 14th September 2017 at AP Tokyo Marunouchi Nippon Seimei Marunouchi Garden Tower

Host: Caux Round Table Japan

Experts :

- **Dr. Puvan J Selvanathan**, CEO, Bluenumber Foundation
(Former member of UN Working Group on the issue of human rights and transnational corporations and other business enterprises)
- **William Rook**, Regional Manager, Middle East, Institute for Human Rights and Business (IHRB)
- **Cathrine Bloch Poulsen-Hansen**, Senior Adviser, Corporate Engagement Programme Manager, Human Rights and Development, Danish institute for Human Rights (DIHR)
- **Hideki Wakabayashi**, Secretary General, Japan NGO Center for International Cooperation (JANIC)
(Former Executive Director of Amnesty International Japan)
- **Kaori Kuroda**, Executive Director, CSO Network Japan
- **Saul Takahashi**, Japan Representative, Business & Human Rights Resource Centre (BHRRC)

Participants :

- **Toshihiko Hoshino**, Senior Expert, CSR Group, Corporate Planning Div., FUJIFILM Holdings Corporation
- **Mari Kojima**, Manager, CSR Group, Corporate Planning Div., FUJIFILM Holdings Corporation
- **Shigeru Sugimoto**, Manager, Corporate Brand & CSR, ANA HOLDINGS INC.
- **Haruo Hatanaka**, Vice President, Sustainability Planning Group, Corporate Strategy, Kao Corporation
- **Takashi Yoshioka**, Manager, Sustainability Planning Group, Corporate Strategy, Kao Corporation
- **Tamaki Shimamoto**, Department Director, Sustainability Strategy Department, Shiseido Company, Limited
- **Junji Kokubo**, Group Manager, Environment Integrity Group, Sustainability Strategy Department, Shiseido Company, Limited
- **Kazumi Azuma**, Manager, Environment Integrity Group, Sustainability Strategy Department, Shiseido Company, Limited

Moderator :

- **Hiroshi Ishida**, Executive Director, Caux Round Table Japan

Secretariat :

- **Minoru Matsuzaki**, Nippon CSR Consortium, Caux Round Table Japan
- **Hiroki Wada**, Nippon CSR Consortium, Caux Round Table Japan

Introduction

Hiroshi Ishida, Executive Director of CRT Japan, first introduced the organization and the work it does in Japan and abroad. Then, he presented that since 2012, CRT Japan has held annual stakeholder program in Tokyo for Japanese businesses, NGO/NPO and subjective experts. And, in response to the increasing concern from the society on supply chain practices of Japanese companies, it has scaled up its program to hold in Thailand in 2016 and 2017, Malaysia in 2017, and Myanmar 2017. In addition, CRT Japan conducted a dialogue with Japanese businesses and small-scale palm oil farmers in Malaysia.



The venue photo

Next, Minoru Matsuzaki from CRT Japan reported on the Stakeholder Engagement Program in Japan. In the program, NGO/NPO gave the corporate participants a lecture on human rights issues in supply chains in Asia, human rights issues particular to Japan, and trends of institutional investors in Japan. Then, given the concerns raised by NGO/NPO, the corporate participants identified the sector specific human rights issues. Compared to the composition of corporate participants last year, there were more corporate participants from the consumer goods sector and food sector, and the participants from the human resource department and procurement department participated in the program this year.

From the chemical and building material sector, Toshihiko Hoshino from FUJIFILM Holdings Corporation, firstly reported that the sector identified positive and negative impact on the SDGs across their value chain in the program last year. In the program this year, he shared that the sector recognized the need to enhance their efforts to respect human rights, as human rights of dispatched workers and workers at upstream supply chain were potentially and actually violated due to the recent shortage of labour in Japan. He then shared that by utilizing the gain knowledge from the program, FUJIFILM Holdings Corporation facilitated human rights efforts such as enhancing CSR procurement practices and working with the human resource department. From the consumer goods sector, Takashi Yoshioka from Kao Corporation reported that the sector recognized the importance of identifying various causes for *Karoushi* in Japan (death caused by overwork), clarifying the types of discrimination and being aware of discrimination, and grasping the actual conditions of human rights violations such as forced labor and child labor in upstream supply chain like plantations, which could be great risks for companies.

Shigeru Sugimoto from ANA HOLDINGS INC., who participated in the programs in Thailand and Malaysia, shared his learnings such as ethnic discrimination at local, ethnic discrimination raised when coup d'état occurred, health issues caused by overdose of sugar, and difficulty for migrant workers in joining labour unions. Junji Kokubo from Shiseido Company, Limited, who participated in the dialogue with small-scale palm oil farmers in Malaysia, shared the need to cooperate with suppliers in order to continue to provide products in consideration for safety, reassurance, the environment and human rights.

Lastly, Hiroshi Ishida from CRT Japan shared the plan for next year that CRT Japan would continue to provide workshops just like the dialogue with small-scale palm farmers in Malaysia. Then, the participants and the experts conducted the discussion to exchange their views. The following shows the main points of the discussion.

The Stakeholder Engagement Program

- The experts shared their positive comments that the program was held for six years, and the companies and NGO/NPO continued to listen and learn from each other. This program assisted companies in conducting human rights due diligence.
- However, in order to take further steps, companies should conduct a direct dialogue with people actually going through human rights violations (rights-holders). It was NGO/NPO that the companies had the dialogue with. Thus, I would like you to conduct a direct dialogue with rights-holders in your company or by sector. (CRT Japan later explained that the corporate participants had the direct dialogues with the rights-holders such as LGBT in the program in Japan and small-scale palm farmers in Malaysia.)



Cathrine from DIHR shared her opinions.

Business and Human Rights in Asia

- In particular, the labour human rights issue against immigrant workers and prohibition on forming labour unions are remarkable in Asia.
- The participants noted that companies in Myanmar including Japanese companies often failed to comply not only with international standards, but even with the standards of labour law in Myanmar. In particular, the right to form labour unions without hindrance was established clearly in Myanmar labour law. Nevertheless, there were instances where companies had fired employees for unionizing. The place where workers continued to raise their concerns should be secured.
- When addressing human rights issues in China, you could address human rights issues in the context of the environmental protection or health and safety.
- The interaction between Global Compact Local Networks among Japan, China and Korea was getting active. The awareness of addressing human rights issues in China was rising.

SDGs and Human Rights

- The experts shared their positive comments that in the program in 2016 the corporate participants identified positive and negative impacts on the SDGs across their value chain in consideration with the raised concerns from NGO/NPO.
- The issues for SDGs including poverty, inequality and conflicts were inter-connected. When addressing these, you should develop a systematic solution that put a focus on solving all the problems.
- When raising issues such as on migrant workers to your government, you should advocate based on

measurable results gained through human rights impact assessment. In addition, you should advocate by collaborating with each actor including company and civil society and even competitors while raising the level of the company and the entire sector. In case that problems occur when conducting this collaborate efforts, it was necessary to decide in advance who should take responsibility, what degree of responsibility should be taken, and who should conduct corrective action.



Wakabayashi from JANIC shared his opinions.

- The essence of SDGs was human rights "Leave No One Behind". Companies were likely to lose sight of how the SDGs were developed and what the essence of SDGs was, as their eyes went too far to look at business opportunities. Although various trends such as ESG investment and materiality came out recently, the essence was to implement a human rights due diligence required by the UN guiding principle. Also companies should remember that John Ruggie's word at UN Forum on Business and Human Rights held in Switzerland in 2016, saying that human rights were not a risk to the company, but a risk to people.
- The essence of SDG's goal 16 was to protect fundamental freedoms. After this goal was formulated, the idea began to disseminate among NGO/NPO that it was important to protect and promote human rights in international development. There was the rising concern that civic space was shrinking recently, and this would hinder the achievement of the SDGs.

Human Rights Initiatives and Disclosure

- Once companies carried out human rights risk assessment, and identified people receiving human rights abuses, they could no longer say that they were working on the issues. These issues had to be fixed. In the point view of rights-holders, addressing human rights issues was urgent.
- The companies that received affirmative comments on their human rights initiatives were proactively communicating their processes on identifying what the human rights challenges were across their supply chains and how they were working on them. Although it was hard to say that they could address the issues perfectly, they gained trust from their stakeholders by showing a progress status of their improvement. It was also important to share and disseminate the cases as to how to respond to the negative impact on human rights in a corresponding way between other companies
- We often heard Japanese companies saying that disclosing information was more risky than not disclosing. Japanese companies tended to decide whether to disclose information by using checklists on their human rights efforts. However, you should not judge whether or not to disclose in this way of thinking. You must convey the process of how you were working on your human rights issues, and



The participants in the program

a progress status of improvement. Besides it was also important to involve the CSR department and persons responsible for Human Rights as well as the purchasing department and business divisions, and establish internal capacity to address human rights.

- It was important to keep communication with suppliers on a daily basis and grasp the problems they were having. This led to the prevention and mitigation of risks.
- It could not be said that Japanese companies were lagging behind their human rights efforts, as there were many companies that had and practiced Japanese traditional values of “Sanpo-Yoshi”, three-way satisfaction, which advocated benefits to the seller, to the buyer and to the local community. However, it was important to continue to learn about human rights issues which were being discussed globally. It was also important to communicate the values of Japan and Asia to the world.
- Many companies had internal reporting systems, but these were often available only inside the company. The grievance mechanism stated by the Guiding Principles was a system that allowed suppliers and local communities to report, so I would like you to develop it.