

2nd November 2018

## Report on 2018 Business and Human Rights Conference in Tokyo “Bipolarization on UN Business and Human Right”

The 2018 Business and Human Rights Conference in Tokyo, hosted by Caux Round Table Japan (CRT Japan), co-hosted by the Business and Human Rights Resource Centre, and the Institute for Human Rights and Business, was held on the 13<sup>th</sup> and 14<sup>th</sup> September, 2018.

There were 126 participants in total (51 companies, 19 organizations: NGO/NPO/University).

The conference had the three pillars, focusing on (1) enhancing awareness and understanding on the latest trends in business and human rights, (2) facilitating collaborative work to promote a respect of human rights and (3) facilitating the implementation of United Nations Guiding Principles on Business and Human Rights. The global experts and attendees discussed how to address a wide range of business risks related to CSR on supply chain and build a responsible supply chain.

On the first day at the conference, the foreign rights experts introduced the latest global trends on business and human rights including trends on business and human rights in Asia, labour issues at factories in Thailand, trends on responsible supply chain, business and human rights legal risks, human rights impact assessment, and migrant workers in supply chains and Japan. Then, Japanese companies introduced their business cases of business and human rights initiatives and responsible supply chain initiatives. At the end of the first day, the workshop was provided for the foreign experts and participants to exchange views on what companies should focus on and how they should do to advance a respect of human rights.

On the second day of the conference, CRT Japan reported on the outcomes of the Stakeholder Engagement Programme. Also, foreign organizations introduced human rights due diligence tools towards realizing a responsible supply chain. Then, the business cases were introduced including the workshop for preventing human trafficking in Airline industry in Japan, the dialogue between the Japanese companies and ESG investors, and the emerging human rights issues in Japan.

Prior to the conference, the sponsoring companies had an exclusive dialogue with overseas human rights experts from the leading initiatives in this field. They introduced their human rights and CSR efforts, and exchanged the views with the experts on how to enhance their management. The companies found the dialogue very useful in gaining new perspectives and improving their human rights due diligence.



CHUGAI PHARMACEUTICAL CO., LTD.



Roche Group



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## Overview of 2018 Business and Human Rights Conference in Tokyo

### Host

Caux Round Table Japan (CRT Japan)

### Co-Host

Institute for Human Rights and Business  
Business & Human Rights Resource Centre

### Sponsor

\*ANA HOLDINGS INC.  
\*FUJI OIL HOLDINGS INC.  
\*Shiseido Company, Limited

### Cooperation

\*CHUGAI PHARMACEUTICAL CO., LTD.  
\*FUJIFILM Holdings Corporation  
\*MORINAGA MILK INDUSTRY CO., LTD.  
QUICK Corp.

(\* are the companies that had an exclusive dialogue with overseas human rights experts)

### Support

E-Square Inc.  
Sustainability Communication Hub Co., Ltd.  
TOPPAN PRINTING CO., LTD.  
YUIDEA Inc.  
Japan NGO Center for International Cooperation  
Social Design Lab., Rikkyo University

### Foreign Organization

Institute for Human Rights and Business (IHRB)  
Business and Human Rights Resource Centre (BHRRC)  
Bluenumber Foundation  
The Danish Institute for Human Rights  
Sedex  
Verisk Maplecroft  
UNDP Bangkok Regional Hub

## The First day of the Conference

### Opening Remarks

Hiroshi Ishida, Executive Director of CRT Japan, introduced the role of CRT Japan as a bridge connecting Japan and the World, connecting businesses and stakeholders, and its activities in line with the three principles of fairness, integrity, and honesty in order to define “what is right rather than who is right.” He shared his expectation that this conference would be a learning place for the foreign experts and attendees, and would be beneficial to the attendees in facilitating their human rights initiatives. In addition, as human rights issues became more complicated and serious during a time of rapid globalization, there were increasing calls from various stakeholders for companies to take concrete action to address human rights issues. He shared that it was important to respond to such calls so as to continue to conduct a business smoothly, and this would lead to the gain of trust from their stakeholders and sustainable operations of business. Lastly, he shared that as institutional investors appeared to be more interested in looking at ESG performance of companies, Japanese companies should enhance their ESG performance and disclose information more fully in the future.

### Introduction to Global Trends of Business and Human Rights

In this session, an extensive panel of human rights experts gathered to share global trends of business and human rights, and expectation for Japanese companies. The experts were from UNDP Bangkok Regional Hub, Labour Rights Promotion Network, Bluenumber Foundation, Sedex, DLA Piper, the Danish Institute for Human Rights, Verisk Maplecroft and Institute for Business and Human Rights.

Livio Sarandrea from UNDP Bangkok Regional Hub noted that ASEAN countries were developing National Action Plans based on the UNGPs and policies that demanded Human Rights Due Diligence to companies that were taking into consideration for investing and selling products in the region. Sompong Srakaew from Labour Rights Promotion Network shared the reality of human trafficking in Thailand, and mentioned the importance for companies to address the issue of human trafficking with high transparency and provide them with access to remedy. Hiroshi Ishida from CRT Japan expressed concern that labour disputes occurred frequently in Japanese companies in Thailand, and unfortunately the reputation for Japanese companies was declining. Puvan Selvanathan from Bluenumber Foundation stated that in this digitised era, each person became an information sender, and Japan should leverage its geographical advantage to manage Asia's supply chain with the use of IT.

Dan Murray from Sedex stated that in the run up to the 2020 Tokyo Olympic Games, there were increasing demands from stakeholders for companies to conduct a responsible procurement practice and disclose information. And, he mentioned that it was important for buyers to gain understanding and cooperation from their suppliers towards the development of responsible supply chains. Daniel D'Ambrosio from DLA Piper Global Law firm noted that there were emerging transnational legal risks to companies as legislation proceeded in the western countries, active engagement with stakeholders around the world to understand business and human rights risks and opportunities was important.

Tulika Bansal from the Danish Institute for Human Rights stated that it was important that as part of human rights due diligence, companies should assess and address negative impacts through human rights impact assessment, engage with rights-holders, and publish their findings and action plan addressing impacts. James Allan from Verisk Maplecroft mentioned that as expectations were broadening from civil society to regulators and investors, companies should establish due diligence processes with human rights impact assessment at centre, and move to provide access to remedy. William Rook from the Institute for Human Rights and Business noted that as risks of forced labour and trafficking in supply chains were increasing, companies were required more to develop specific policies, identify and mitigate modern slavery risks, and report on modern slavery risk.

## **Introduction to Business Cases on Business and Human Rights by Japanese Companies**

The afternoon session at the conference introduced business cases by Japanese companies on how they fulfil their responsibility to respect human rights required by the UN Guiding Principles on Business and Human Rights. The Japanese companies illustrated their business cases on how they strived to build a responsible supply chain.

Takashi Matsuse from Kao Corporation, shared their human rights due diligence process toward the achievement of a sustainable and responsible procurement practice. He noted that Kao utilized the current monitoring and Sedex to identify potential risk points in their supply chain, facilitated further a dialogue with farmers at sites, and planned to utilize Bluenumber as a tool to develop traceability of raw materials.

Tamaki Shimamoto from Shiseido Company, Limited, shared that Shiseido received high evaluation in Japan in the fields of women`s empowerment and diversity promotion, as it enhanced its supporting programs such as female researcher science grant and child-nursing room. To further facilitate, he noted that Shiseido would strengthen human rights efforts and improve transparency and traceability of supplier information.

Shigeru Sugimoto from ANA HOLDINGS INC., introduced human rights impact assessments that ANA conducted in 2016 as a part of their human rights due diligence. With the use of social and environmental data provided by Verisk Maplecroft and interviews across ANA Group conducted with CRT Japan, ANA Group analyzed the likelihood of any negative impacts, and developed measures to mitigate and prevent these negative impacts. And, he announced that ANA Group published its human rights report.

Maki Kojima from FUJIFILM Holdings Corporation shared its Sustainable Value Plan 2030 as the CSR Plain of the Fujifilm Group, and introduced their initiatives to maximize positive impacts and minimize negative impacts across its value chain. Also, in the facing of the expanding regulatory control on human rights issues and through dialogue with international human rights NGOs, they placed top priority on identifying and addressing potential human rights issues in the supply chain and with employees in the Group. She also introduced their CSR procurement activities in Japan, China and the United States and internal audits for the production sites of the Group.

## **Workshop with the foreign experts and attendees**

This workshop was conducted for the foreign experts and domestic participants to discuss how companies could facilitate their human rights activities. According to the result of the pre-survey conducted to the participants, they had the most concerns on how ESG investors considered human rights issues and how companies could conduct human rights impact assessment. Also, when conducting human rights impact assessment and addressing supply chain issues, they shared that they faced various obstacles such as failure to gain understanding and cooperation from management, absence of the department in charge of addressing human rights issues, and lack of cooperation between the relevant departments, which made it difficult for them to facilitate their activities. In response to these problems, the experts and participants learned that it was important to take time to prepare for internal education/training to raise awareness on human rights issues among management and employees.

## The Second day of the Conference

### Report on Stakeholder Engagement Programme

Since 2012, Nippon CSR Consortium, whose secretariat is CRT Japan, conducted the Stakeholder Engagement Programme to facilitate understanding and implementation of the UN Guiding Principles on Business and Human Rights by companies. The programme in 2018 was held in Japan, Thailand, Malaysia and Indonesia. This session introduced domestic and Asian human rights issues identified through the programmes and ideas how to develop the programmes further. Minoru Matsuzaki from CRT Japan reported on the Stakeholder Engagement Programme in Japan. He shared that the participants learned human rights issues in supply chain in Asia, human rights issues in Japan, and expectations from institutional investors in Japan, and then identified sector specific human rights issues. Akiko Sato from CRT Japan reported on the Stakeholder Engagement Programme in Thailand, Malaysia and Indonesia. She shared that the programme in Thailand focused on human trafficking while the programme in Malaysia and Indonesia focused on palm oil. She shared the human rights issues that the participants learned from the programme.

### Report on Stakeholder Engagement Programme

This session introduced tools that enabled companies to evaluate human rights risks including supply chain, identify and mitigate negative impacts on human rights, and disclose outcomes by corrective actions towards improvement and transparency of supply chain. James Allan from Verisk Maplecroft introduced their human rights risk assessment tool and human rights impact assessment tool as parts of their services which helped companies to conduct human rights due diligence required by the UN Guiding Principles on Business and Human Rights and legislation on human rights in the western countries. Also, he shared the collaborative service with CRT Japan. Dan Murray from Sedex stated that in the run up to the 2020 Tokyo Olympic Games, there were increasing demands from stakeholders such as buyers, investors and consumers for companies to conduct a responsible procurement practice and disclose information. Sedex offered services enabling companies to identify risks on their supply chains and report on a progress status of their corrective action. Dan emphasized that in order to conduct a continuous improvement, it was important to communicate policies and expectations to suppliers clearly and collaborate with suppliers to work on the issues that should be addressed. Puvan Selvanathan from Bluenumber Foundation, stated that as current certification processes to measure the probability of slavery in supply chain were expensive and prone to corruption, it was important to develop a system available to workers or farmers who were vulnerable to human rights violations, and enhance transparency on supply chain for elimination of modern slavery. The tool that Bluenumber Foundation offers used the latest technology, and could help companies to recognize all the people involved in supply chain, improve traceability and gain greater visibility of their supply chains.

### Case Study: Workshop for Preventing Human Trafficking in Airline Industry

There was raising concern that risks of human trafficking would increase more. ANA Holdings Co., Ltd., Japan Airlines Corporation, CRT Japan, government officials, international organizations were cooperatively taking the initiative to address this human rights issue as an aviation industry. This session introduced this initiative. Noriko Kiyotani from International Organization for Migration made presentation on IOM Victim Assistance. She shared that trafficking methods had become more complex. There was a need to address gaps in capacity and referral mechanisms in handling trafficking cases among stakeholders. Chikako Miyata from ANA Holdings INC shared that it would be very difficult for one company to address the issue of human trafficking. So, maintaining and enhancing coordination and cooperation among helping agencies and competitive companies was critical to work on this issue. Also, she shared that this initiative should be continued with understanding and cooperation from a wide range of the stakeholders.

## **Relationship between Business and Human rights and ESG investors – Evaluation on Social Elements of Companies**

In this session, Hiroshi Ishida from CRT Japan shared the latest information on CHRB (Corporate Human Rights Benchmark), an international initiative to evaluate corporate human rights efforts. He stressed that ESG institutional investors began to recognize that human rights risks were risk factors that had a negative impact on corporate value, and they were assessing not only financial information but also non-financial information. In addition, although CHRB evaluated the efforts of companies belonging to apparel, mining and agricultural industries, from next year CHRB would add ICT industry as a scope of their evaluation. Kenji Honda from Nomura Research Institute Co., Ltd. shared that through dialogue with the related organizations of ESG investment for several years, he received impression that a way of their thinking was different in universal thinking and business thinking. He emphasized that Nomura would continue to create social value based on the corporate philosophy of "Dream up the future". Nobuo Taguchi from ANA Holdings Co., Ltd. noted that salient human issues for the company were already identified, so it was considering how to address and disclose their efforts for ESG investors. He also stated that KPI would be created in cooperation with third parties to manage the progress of their countermeasures.

## **Addressing New Human Rights Issues in Japan**

This session introduced emerging human rights in Japan and business cases to address them. Hiroshi Ishida from CRT Japan discussed with the theme of child poverty in Japan what kinds of issues Japan was facing and the potential impacts given on the next generation. Hisayuki Katori from NPO Rare Disease net TSUNAGARU mentioned that though patients with rare disease had desire and ability to work, it would make it difficult for them to find jobs due to prejudice and misunderstanding facing from their surroundings and various other factors. Also, based on his experience to support persons with rare disease, he also shared the current problems and the feelings that patients with rare diseases had while introducing the intractable disease law and the employment system for persons with disabilities in Japan. Kei Yamana from Teijin Group posed questions on how to address human rights issues for the elderly and the role that companies should play in terms of the nursing care business toward the future of an aging society. Inoue Yasuhiro from Kyushu Dust Service noted that waste would be effectively reduced by performing waste management across the supply chain. He also stated that the effect of waste reduction would lead to reduction of waste disposal cost, improvement of corporate activities, and improvement of corporate value. Finally, Masaaki Mabuchi from International Student Conference 64<sup>th</sup> shared that persecution acts against Rohingya ethnic groups and the mass refugees resulting from them must not be ignored in the international community and advocated a new framework of how to protect and accept the refugees by the society.

## **Closing Remarks**

Hiroshi Ishida shared that CRT Japan held a workshop on the Olympic Games on 10<sup>th</sup> September, and said that monitoring Japanese companies' efforts in their supply chains was now becoming severe globally. In addition, in order to respond to the demands from the rapidly changing society, he noted that companies should strengthen efforts in cooperation with the foreign experts who came to Japan this time. Finally, he announced that the conference in 2019 would be held in October.

## A list of Speakers

- Livio Sarandrea  
Manager and Chief Adviser of Regional Program on Business and Rights  
United Nations Development Programme (UNDP) Bangkok Regional Hub
- Sompong Strakaew  
Founder/Executive Director, Labour Rights Promotion Network
- Puvan J Selvanathan  
CEO, Bluenumber Foundation
- Dan Murray  
Director of Client Development, Sedex
- Daniel D'Ambrosio  
Associate, DLA Piper
- Tulika Bansal  
Senior Adviser, Human Rights and Development, The Danish Institute for Human Rights
- Dr. James Allan  
Head of Consulting, EMEA & APAC, Verisk Maplecroft
- William Rook  
Regional Manager, Middle East, Institute for Human Rights and Business
- Takashi Matsuse  
Vice President, Procurement – Planning, Global, Vice President SCM Strategy and Planning –  
Procurement, Global, Kao Corporation
- Tamaki Shimamoto  
Department Director, Sustainability Strategy Department, Shiseido Company, Limited
- Shigeru Sugimoto  
Manager, CSR Promotion, ANA HOLDINGS INC.
- Mari Kojima  
Manager, CSR Group, Corporate Planning Division  
FUJIFILM Holdings Corporation
- Minoru Matsuzaki  
Secretariat, Nippon CSR Consortium, CRT Japan
- Akiko Sato  
Coordinator, CRT Japan
- Noriko Kiyotani  
Programme Manager, International Organization for Migration (IOM)
- Chikako Miyata  
Vice President, CSR Promotion, ANA HOLDINGS INC
- Kenji Honda  
Manager, Sustainability & Responsibility Group, Nomura Research Institute, Ltd.
- Nobuo Taguchi  
Senior Director, CSR Promotion, ANA HOLDINGS INC
- Hisayuki Katori  
Chairman, NPO Rare Disease net TSUNAGARU
- Kei Yamana, Ph.D  
Teijin Group Senior Researcher, Management Coordinator for the President  
Healthcare Business of Teijin Group (for Technology Strategy)
- Yasuhiro Inoue  
President, Kyushu Dust Service Co.,Ltd.
- Masaaki Mabuchi  
President, International Student Conference 64th
- Hiroshi Ishida  
Executive Director, Caux Round Table Japan