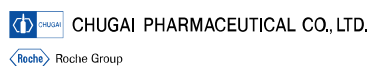


CAUX ROUND TABLE

2019 Human Rights Due Diligence Workshop (Stakeholder Engagement Programme)

Supported by / Cooperated by



Nomura Research Institute



16th December, 2019

“Human Rights Issues by Sector v.8”

In September 2012, Caux Round Table Japan (CRT Japan) established the Nippon CSR Consortium as a platform for multi-stakeholders in cooperation with companies, NGOs/NPOs and academic experts. The Consortium organizes a yearly Human Rights Due Diligence Workshop where multi-stakeholders come together to discuss the relationship between business activities and human rights.

The 2019 Human Rights Due Diligence Workshop was held for the eighth year, over six sessions, in the period from 20th May to 18th July. In the workshop, the participants identified sector specific human rights issues with the use of Human Rights Guidance Tool developed by UNEP FI. The secretariat of the Consortium conducted public consultation on them from 29th October to 29th November. Following consideration of the received comments, the Consortium hereby releases “Human Rights Issues by Sector v.8”. The Consortium hopes that this document will be a useful tool for companies in promoting their human rights activities.

This workshop applies the Chatham House Rule. The participants were free to express their views as individuals, not representatives of companies or organizations that they belonged to. The sole responsibility for the content of this document lies with CRT Japan, as an organizer of Nippon CSR Consortium.

We would like to offer our great gratitude for the participants from NGO/NPO, and companies, and those who gave public comments.

Caux Round Table Japan
Nippon CSR Consortium
Minoru Matsuzaki
Hiroki Wada

Table of Content

1. Preface	4
1-1. Purpose of Human Rights Due Diligence Workshop	4
1-2. An overview of the Workshops for Identifying Human Rights Issues	5
1-3. Implementation Steps of the 2019 Workshop	8
1-4. Notes for this document	9
2. CRT Japan's viewpoint as the Secretariat of Nippon CSR Consortium.....	10
3. Human Rights Issues by Sector v.8	
3-1. Manufacturing.....	12
3-2. Chemical and Building Materials.....	14
3-3. Consumer Goods (Cosmetics and Daily Goods).....	16
3-4. Food.....	18
3-5. Pharmaceuticals.....	20
3-6. Logistics and Transport.....	23
3-7. Consulting.....	25
List of Participants of 2019 Human Right Due Diligence Workshop	27
Appendix 1: Relevance between the UNEP FI and NGO/NPO and subject experts by Sector	

1 Preface

1-1. Purpose of Human Rights Due Diligence Workshop

The Human Rights Due Diligence Workshop provides an opportunity for companies, NGOs/NPOs, and academic experts to conduct discussions for human rights due diligence¹ set out in the United Nations Guiding Principles on Business and Human Rights².

In July 2011, the UN Guiding Principles on Business and Human Rights were unanimously endorsed by the UN Human Rights Council. The Guiding Principles explicitly and clearly set out that all business enterprises have the responsibility to respect human rights. In order to fulfil the responsibility, the Guiding Principles require them to carry out human rights due diligence that comprises process for identifying, preventing, mitigating and accounting for how they address their adverse human rights impacts. In response to the endorsement in 2011, in cooperation with companies, NGOs/NPOs and academic experts, CRT Japan established the Nippon CSR Consortium* in 2012 as a platform for multi-stakeholders. The Consortium organizes the yearly Human Rights Due Diligence Workshop (Stakeholder Engagement Programme).

Through a series of dialogues with companies, NGOs/NPOs, and academic experts, participants can deepen understanding of the specific contexts in which human rights violations can arise, of the relationship between business activities and human rights, of important human rights issues, and of the importance of promoting business operations with due consideration given to human rights. We regard that this document, which contains the content of the discussion in the workshop and the identified sector-specific human rights issues, will be the foundation for companies to facilitate their efforts of human rights due diligence in the future.

	2012	2013	2014	2015	2016
Companies	39	15	34	48	40
NGOs/NPOs	11	12	17	17	14
Participants	68 persons	35 persons	68 persons	98 persons	73 persons

	2017	2018	2019
Companies	23	17	24
NGOs/NPOs	17	14	13
Participants	67 persons	60 persons	80 persons

¹ Human rights due diligence encompasses process for (1) identifying and assessing any actual or potential adverse human rights impacts, (2) integrating the findings from their impact assessments and take appropriate action, (3) tracking the effectiveness of their response, and (4) communicating how they address their human rights impacts.

² 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. An overview of the Workshops for Identifying Human Rights Issues

In order to assist companies in implementing human rights due diligence in line with the UN Guiding Principles, the Consortium conducts discussions to identify sector specific human rights issues. An overview of the past workshops is explained below.

In 2012, sector specific human rights issues were identified based on UNEP FI Human Rights Guidance Tool³. The final report “Human Rights Issues by Sector (2013)” was released.

In 2013, the workshop explored sector specific human rights issues from the perspective of value chain. The workshop was very useful for the participants in understanding how each human rights issue was linked to activities of different departments throughout value chain. The final report “Human Rights Issues by Sector (v.2)” was released in 2013.

In 2014, the workshop was planned and conducted in order to respond to public comments received in 2013 indicating that “companies need to understand the particular context in which human rights issues arise”. First, the participants examined 31 Global Risks outlined in the World Economic Forum Report⁴ and then identified 16 Global Risks which were considered to give the greatest influence on the sectors they belonged to. Followed after this process, they explored and identified the interconnectivities between global risks and human rights. This identification was useful for them in understanding how social and environmental issues were dynamically interconnected, and in understanding the particular contexts in which human rights issues arose. The final report “Human Rights Issues by Sector (v.3)” was released.

In 2015, the workshop consisted of the two sessions. In the first session, the participants reviewed any points for addition and modification on “Human Rights Issues by Sector (v.2)” using the Human Rights Guidance Tool⁵ (2014 revision) developed by UNEP FI. As the main feature of the 2015 workshop, NGOs/NPOs and subject experts addressed emerging human rights issues in Japan covering sexual minorities, the empowerment of women and technical intern trainees. In addition, the workshop was scaled up from 9 sectors in 2014 to 11 sectors in 2015, discussing and identifying sector specific human rights issues accordingly. The final report “Human Rights Issues by Sector (v.4)” was released. In the second session, a draft “Food Vision” for the 2020 Tokyo Olympics and Paralympics⁶ was released on the basis of a series of workshops that brought together companies mainly from the Food sector, NGOs and other stakeholders.

³ <http://www.unepfi.org/humanrightstoolkit/fundamentals.php> (Accessed on Nov 10th, 2014).

⁴ http://www3.weforum.org/docs/WEF_GlobalRisks_Report_2014.pdf (Accessed on August, 08, 2014)

⁵ <http://www.unepfi.org/humanrightstoolkit/> (Accessed on July 10th, 2015)

⁶ <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Food%20Vision%20for%20the%20Tokyo%202020%20Olympic%20Games.pdf> (Japanese only), (Accessed on November 7th, 2017)

In 2016, the workshop addressed the relevance between the SDGs and human rights issues. The year of 2015 marked the following four significant events: Firstly, 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. They also stressed the need to develop substantive National Action Plans and strengthen grievance mechanisms. Secondly, at a Session of the United Nations General Assembly in September, the SDGs were adopted. Thirdly, In the UK, the Modern Slavery Act was adopted. And finally, at the UN Climate Conference in Paris COP 21 in December, the Paris Agreement was adopted which will come into effect in 2020. Considering all of these events, the participants identified sector specific human rights issues with the use of Human Rights Guidance Tool developed by UNEP FI, and they identified priorities on the SDGs by sector with the use of the SDG Compass⁷ whilst considering the SDGs and proposals for the SDGs submitted by NGOs/NPOs at the G7 Ise-Shima Summit. The final report “Human Rights Issues by Sector (v.5)” and “Priorities on the SDGs by sector” was released.

In 2017, the participants reviewed any points for addition and modification on “Human Rights Issues by Sector (v.5)” using the Human Rights Guidance Tool⁸ (2014 revision) developed by UNEP FI. This year's workshop was implemented to help companies recognize human rights issues particular to Japan, human rights issues in supply chains in Asia, and trends of institutional investors in Japan. Compared to the composition of corporate participants last year, there were more corporate participants from the consumer goods sector and food sector, whereas there were less corporate participants from the manufacturing sector and infrastructure sector. Also, there were more participants from the human resource department and procurement department. Lastly, over 70% of the participants were new to the workshop. The final report “Human Rights Issues by Sector (v.6)” was released.

In 2018, given the raised concerns from NGOs/NPOs, the participants reviewed any points for addition and modification on “Human Rights Issues by Sector ” formulated by the CSR Consortium last year, using the Human Rights Guidance Tool⁹ (2014 revision) developed by UNEP FI. As a feature of the workshop, NGOs/NPOs raised globally increasing concerns such as marine plastic pollution, SOGI (sexual orientation/gender identification), and the Technical Intern Training Program in Japan. Also, the subject experts shared the trends of Japanese institutional investors. In regard to the composition of the corporate participants, the participation from the chemical and building materials sector, consumer goods sector, and food sector increased significantly from the previous year. In addition, the companies in the pharmaceutical, printing and consulting sectors, which did not identify sector specific human rights issues in the previous year, participated in the workshop. On the other hand, the companies from the manufacturing and transport sectors did not participant in the workshop this year.

In 2019, given the raised concerns from NGOs/NPOs, the participants reviewed any points for addition and modification on “Human Rights Issues by Sector ” formulated by the CSR Consortium last year, using the

⁷ <http://sdgcompass.org/> (Accessed on August 15th, 2016)

⁸ <http://www.unepfi.org/humanrightstoolkit/> (Accessed on July 10th, 2015)

⁹ <http://www.unepfi.org/humanrightstoolkit/> (Accessed on July 10th, 2015)

Human Rights Guidance Tool¹⁰ (2014 revision) developed by UNEP FI. As a feature of the workshop, NGOs/NPOs raised globally increasing concerns such as AI and human rights, AI and privacy, relationships between climate change and human rights, foreign workers in Japan, grievance mechanism, and SDGs and human rights. In regard to the composition of the corporate participants, the participation from the chemical and building materials sector, consumer goods sector, and food sector increased significantly from the previous year.

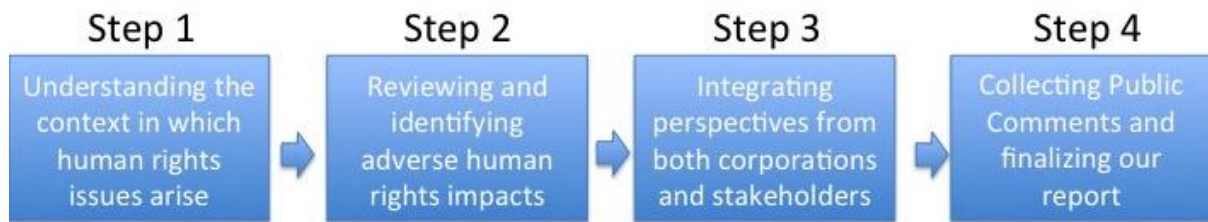
As the outcomes of the workshop this year, "Human Rights Issues (Draft) by Sector" and "Relevance between the UNEP FI and NGO/NPO and subject experts by Sector" (attachment 1) were formulated.

In parallel with this workshop in Japan, at the same time, Caux Round Table Japan initiated the Stakeholder Engagement Programs in Thailand and Indonesia.

¹⁰ <http://www.unepfi.org/humanrightstoolkit/> (Accessed on July 10th, 2015)

1-3. Implementation Steps of the 2019 Workshop

The Workshop consists of the following four steps.



Step 1: Understanding the context in which human rights issues arise

- A total of 13 organizations including NGO/NPO explained the backgrounds of the human rights issues and the human rights issues that may be abused through corporate activities. After that, the corporate participants and the speakers sat together at the table for each topic and discussed the given topics further.

Step 2: Reviewing and identifying adverse human rights impacts arising from corporate activities

- The participants reviewed any points for addition and modification on “Human Rights Issues by Sector (v.7)” by using the Human Rights Guidance Tool (2014 revision) developed by UNEP FI.

Step 3: Integrating perspectives from both corporations and stakeholders

- The participants had a dialogue with NGO/NPO and the subject experts on their work at Step 2. After the dialogue, the participants reviewed the received comments, and developed the final version of their work by sector. Then, the Secretariat developed “Human Rights Issues by Sector (draft)”.

Step 4: Collecting Public Comments and finalizing our report

- The Secretariat conducted public consultation on “Human Rights Issues by Sector (draft)” from 29th October 2019 to 29th November 2019. Following consideration of the received comments and discussion contents among the participants and experts, the secretariat released “Human Rights Issues by Sector v.8”.

1-4. Notes for this document

1-4.a Relevance between business operations and human rights

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

1-4.b Scope of Study and Analysis

The workshop of this year does not include the following study and analysis.

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

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

In recent years, the environment surrounding companies in “Business and Human Rights” has changed significantly. Since the adoption of the “United Nations: Guiding Principles on Business and Human Rights” in 2011, there has been a rapid progress of development of the National Action Plan (NAP) on business and human rights and development of laws and regulations, mainly in Western countries and Asia. The Guiding Principles of soft law has been put into the form of hard law in each country, and companies are now in a situation where they must tackle human rights in their own and supply chains in terms of responding to legal requirements. On the other hand, in the corporate investment, ESG investment is rapidly increasing. Corporate Human Rights Benchmark (CHRB) was developed in 2018, in which institutional investors, rating agencies, and NGOs collaborate to evaluate corporate efforts to human rights and publicize rankings. This year, 18 Japanese companies were assessed (198 companies in total). In Japan, the Tokyo Olympic and Paralympic Games Organizing Committee has formulated a “Sustainable Procurement Code” that includes standards related to human rights and labour, and requires licensees and suppliers to comply with the code. In recent years, NGOs have been active for specific issues. For example, NGOs have identified abuses of human rights and labour issues such as forced labour, child labour, and low wages at sites such as palm oil, timber, and minerals, and conducted “Naming and Shaming” campaign for global companies. An international NGO also went undercover at a subcontract factory of a major Japanese apparel company, and pointed out poor labour conditions that could not be seen in an audit.

Under these circumstances, it is essential that companies develop human rights policies that clearly demonstrate their respect for human rights, and conduct human rights due diligence that includes a process of identifying and evaluating how their businesses negatively affect human rights throughout the value chain, and explaining how to address human rights issues. However, through this workshop, we recognize that Japanese companies have been facing challenges in tackling “business and human rights”. The first is the limit of the certification system. Companies understand that purchasing raw materials from certified suppliers can ensure sustainability. However, reports by NGOs point out environmental and labour problems and abuses of human rights at sites of those suppliers. The credibility of the certification system has begun to undermine. Companies are required to focus on people whose human rights are actually violated beyond the framework of certification. Next, there is poor understanding and awareness of human rights throughout the company. In Japan, human rights are still often understood in the context of discriminated community of non-Japanese, sexual harassment, and power harassment, and there is a gap in recognition with human rights between Japan and globally. It is necessary to understand what the Guiding Principles require companies to respect human rights, to make it aware throughout the company, and to incorporate them into their management strategies and business activities. The key principle of the SDGs is “no one will be left behind”, and all of the goals are closely linked to the realization of a society where human rights are respected. Companies are expected to maximize their positive impacts and minimize their negative impacts. Companies from all sectors have begun working on the SDGs, but most of them often implement and disclose positive impacts, and there is little debate about how to identify and minimize the negative impacts of business. It is important to understand that negative effects are not offset by other positive effects. Unless companies

address positive and negative impacts, the realization of a sustainable society will not be achieved, and “people left behind” will be left forever. The centre of economic activity is a company, and its activities are expected to resolve the gap. For this purpose, dialogue with affected stakeholders is essential, but it is difficult to say that the dialogue is being carried out by companies. An essential process in fulfilling the responsibility of respecting human rights is to conduct dialogues with rights-holders that are actually / potentially affected by companies. Unless companies conduct and disclose such a dialogue process, they are not conducting human rights due diligence based on the Guiding Principles, and it may be regarded as a self-satisfying activity of the company. Human rights risks are not a risk from a corporate perspective, but a risk for people affected by business activities. In reality, many Japanese companies do business globally, but only a few companies make an effort to understand the entire supply chain.

This program is implemented to understand human rights issues in Asian supply chains that Japanese companies should recognize, human rights issues peculiar to Japan, and trends in institutional investors as "expectations and requirements from society". It also helps Japanese companies to implement human rights due diligence required by the Guiding Principles. The lessons learned are that as it is difficult for one company to tackle human rights issues alone, it is important to work together with the entire industry and use leverage to their suppliers. In recent years, discussions have been focused on issues such as marine plastics issues, diversity (foreign technical intern trainee issues and SOGI), AI and human rights, and gender. It is important to communicate with a wide range of stakeholders and understand how human rights are relevant to business and how companies can respond to human rights issues. Finally, it is development of grievance mechanism and legitimacy of its effectiveness. Many Japanese companies have set up contact points for employees in Japan, but contact points have not been established for domestic and overseas suppliers and local communities that are prone to abuses of human rights. It is necessary to respond in cooperation with the company's related departments, competitors, and third parties.

The lesson from the past workshops is that when companies address human rights related risks, they should conduct dialogues with the people with human rights abuses and NGOs/NPOs to recognize their human rights issues. This program is to help companies to take an initial step to conduct human rights due diligence. After they identify the issues, they should address them by utilizing their high expertise and strategies in cooperation with NGOs/NPOs. And at the same time, they should be held accountable for any harm they cause and outcomes of their actions, as well as should enhance their transparency by disclosing information 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.

3. “Human Rights Issues by Sector”

3.1 Manufacturing Sector

Key value chains in manufacturing sector

Create: research, development, design Buy: capital investment, procurement Manufacture: production, manufacturing
 Transport: storage, logistics Sell: sales and marketing Use: consumption, utilization, maintenance Disposal: disposal, recycling

Key human rights issues in the manufacturing sector		Concrete issues	Value Chain											
			Create	Buy	Manufacture	Transport	Sell	Use	Dispose					
Core operation/ Supply chain	Workplace conditions	Working hours and wage	<ul style="list-style-type: none"> In Global 1: Risks of long working hours, because the minimum wage does not meet the standard of living in the community 2: Excess labor risks due to production adjustment (priority delivery) 3: Proper working time management may not be practiced 4: Proper compensation (wage) for labor may not be paid Working time is not recorded → Payment can not be made 						✓	✓	✓	✓	✓	✓
		Health and safety	<ul style="list-style-type: none"> Unpaid overtime work especially in Japan, long working hours. Discretionary labor system Inappropriate operation by nominal managers Different work conditions and wage disparity among group companies. Equal pay for equal value of work 						✓	✓	✓	✓	✓	✓
	Discrimination	During employment and work	<ul style="list-style-type: none"> 1: Severe incidents causing death or injury especially within research and development, as well as manufacturing sites. [C/M] 2: Long working hours may cause health problems, in particular mental health problems. 3: Progression of diseases by lack of health checkups. 1: Inadequate living conditions such as sharing one small dormitory room with several people, poor sanitation (shower, toilet, etc), building a dormitory on the factory premises, and being locked up to control may affect the health of the employees. 3: Lack of protective equipment such as finger sacks, gloves, masks, eye-plugs or the spread of occupational diseases due to not wearing protective equipment. 1: Health and safety standards in Japan do not conform to global standards. (emergency exit and evacuation drills) 4: Treatment of foreign workers in Japan (Especially awareness and training on health and safety, language barriers) 						✓	✓	✓	✓	✓	✓
		Child labour	<ul style="list-style-type: none"> Risk of receiving inequal treatment in working conditions, training, and promotion. Discrimination against female workers and sexual minorities. Harassment (Sexual and power harassment). Addressing LGBT issues. Discrimination against nationalities, races and religions. 						✓	✓	✓	✓	✓	✓
		Forced or compulsory labour	<ul style="list-style-type: none"> 1: There may be possible risks of child labour and child trafficking through brokers in supply chains across developing countries (e.g. subcontracting works). 1: Workers in Asian countries may apply for recruitment by falsifying their age. 2: Risk of engaging in night work or dangerous work 						✓	✓	✓	✓	✓	✓
	Deposits and papers	<ul style="list-style-type: none"> When recruiting foreign workers in Asian countries, recruiters may force them to hand over their ID (e.g. passport) and/or to pay excessive commission fees. 						✓	✓	✓	✓	✓	✓	
	Forced overtime	<ul style="list-style-type: none"> Long working hours due to excessive quota requirements may cause forced overtime. 						✓	✓	✓	✓	✓	✓	

Key value chains in manufacturing sector

Create: research, development, design Buy: capital investment, procurement Manufacture: production, manufacturing
 Transport: storage, logistics Sell: sales and marketing Use: consumption, utilization, maintenance Disposal: disposal, recycling

Key human rights issues in the manufacturing sector			Concrete issues	Value Chain						
				Create	Buy	Manufacture	Transport	Sell	Use	Dispose
Core operation/ Supply chain	Freedom of association		<ul style="list-style-type: none"> • Communication and dialogue with labour representatives and labour unions may be insufficient. • Institutionalization and operation of labour-management consultation and collective bargaining may not be practiced sufficiently. In addition, although the right to collective bargaining is permitted, negotiation may not actually be conducted. • Workers' rights in union shop may not be sufficiently secured. • The rights of workers may not be sufficiently secured in the countries and regions where the composition and activities of labor unions are prohibited (including cases where trade unions are banned). 	✓	✓	✓	✓	✓		✓
Community	Resources/local community	Use of natural resources	<ul style="list-style-type: none"> • Risk of excessive resource extraction due to logistics, sales, product development and product design with high environmental impact (high electricity usage, hard to recycle) (upstream supply chain) • Risk of harming lives and health of local residents around production sites, and abuse and contamination of land and water at a factory or local construction site. [B/M/D] 	✓	✓	✓	✓	✓	✓	✓
	Security	Payment to non-state groups	<ul style="list-style-type: none"> • Potential diversion of funds, goods and services to non-state groups and armed groups during procurement of raw materials and disposal of products 		✓					✓
	Access to Land	Land ownership	<ul style="list-style-type: none"> • Risk of forced migration of local residents when acquiring business land 		✓	✓				
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> • Potential risk of being involved in bribery and corruption, such as facility payments, especially at the time of obtaining licenses and authorizations. • Possible risk of bribery at the time of contract, customs in the industry, collusion (in the form of transactions / operations), risk of conspiracy to fraud at the time of government-related business orders 	✓	✓	✓	✓	✓	✓	✓
		Relations to states with poor human rights records	<ul style="list-style-type: none"> • Risk of being involved in human rights abuses when doing business in the country or region where there is a gap between local laws/customs and international standards 	✓	✓	✓	✓	✓	✓	✓
Others	Relations with customers	Health and safety and protection of personal information	<ul style="list-style-type: none"> • Risk to damage consumer's life and health due to defects in products/services provided to customers and inappropriate marketing activities. • Risks of abuses of individual human rights if personal information obtained through business processes is not properly managed. 	✓		✓		✓	✓	✓
	Remedy	Development of Access to Remedy	<ul style="list-style-type: none"> • Human rights abuses may not be addressed if remedy contacts and process are inadequate. 	✓	✓	✓	✓	✓	✓	✓

3.2 Chemical and Building Materials Sector

This table summarizes the value chains that are considered common in the industry.
Incidents related to specific products and services at an individual company need to be reviewed by individual company.

Key human rights issues in chemical and building materials sectors			Concrete issues	Value Chain										
				Research	Development	Procure	Produce	Transport	Sell	Use	Reuse and recycling	Dispose	Subcontractor Onsite Subcontractor	
Core operation/ Supply chain	Workplace condition	Working hours	<ul style="list-style-type: none"> As a feature of B to B companies, there may be overtime work as they receive orders without due consideration of resources (one's company and supply chain). There is not enough understanding on the degree of working hours management according to different working conditions depending on country/areas (supply chain). 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		Health and safety	<ul style="list-style-type: none"> There are relatively many sources of risks in the working place environment, as manufacturers that use hazardous substances (chemical substances) and large scale facilities (one's company and supply chain). Insufficient information on chemical substances from suppliers may cause health damage to employees in one's company and final consumers (one's company and supply chain). If we outsource companies with poor ethical values to conduct safety tests or functionality tests through people, human rights issues may arise (supply chain). 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		Disciplinary measures	<ul style="list-style-type: none"> Because the customs of disciplinary measures differ largely according to each country or area, the disciplinary policies may not conform to the country or area (one's company). Placement of grievance mechanisms available for disciplined persons may be insufficient (one's company). The customs of disciplinary measures differ largely according to each country or area, it becomes difficult to grasp the actual practices of disciplinary measures at suppliers's sites (supply chain). 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Wage	<ul style="list-style-type: none"> Possible in supply chain and contractor. The proper wage corresponding to working hours may not be paid. Wages paid to foreign technical intern trainees may not be understood. 			✓	✓				✓	✓	✓	✓
	Discrimination	During work	<ul style="list-style-type: none"> Cases of harassment issues which are raised as social problems differ depending on region and time (for instance, discrimination against sexual minorities in 2015, and power harassment in 2019). Elimination of discrimination during work globally remains unsolved (one's company and supply chain). A delay in improvement of the working environment for people with disabilities may lead to human rights problems (one's company and supply chain). While the EU General Data Protection Regulation is being strengthened even in Japan, full measures may not be taken to respect the privacy of employees and protect personal information (one's company and supply chain). 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Redundancy and dismissal	<ul style="list-style-type: none"> Illness and pregnancy may be a judgment factor without specifying objective standards, and implementation based on sufficient communication may not be made (one's company and supply chain). 	✓	✓	✓	✓	✓	✓					
	Child Labour	Dangerous work and employment	<ul style="list-style-type: none"> Possibility in supply chain and contractors 			✓							✓	✓
		Minimum age	<ul style="list-style-type: none"> Possibility in supply chain and contractors 			✓							✓	✓
		Working hours and working conditions	<ul style="list-style-type: none"> Possibility in supply chain and contractors 			✓							✓	✓
		Employment of young workers	<ul style="list-style-type: none"> Possibility in supply chain and contractors 			✓		✓					✓	✓

Key human rights issues in chemical and building materials sectors			Concrete issues	Value Chain										
				Research	Development	Procure	Produce	Transport	Sell	Use	Reuse and recycling	Dispose	Subcontractor Onsite Subcontractor	
Core operation/ Supply chain	Forced Labour	Deposits and papers	• The presence or absence of migrant workers globally and the actual situation of foreign technical intern trainees are not comprehensively identified. When forced labour occurs, companies may face great reputational risks (supply chain).			✓					✓		✓	
		Forced overtime	• As a feature of B to B companies, forced overwork is demanded to workers when companies receive orders without due consideration of resources (volunteer overtime work is regarded as overtime work) (one's company and supply chain).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Human trafficking	• The presence or absence of migrant workers globally and the actual situation of foreign technical intern trainees are not comprehensively identified. When forced labour occurs, companies may face great reputational risks (supply chain).		✓	✓						✓		✓
	Freedom of association	Freedom of association and collective bargaining	• Labour-management negotiations may not be properly conducted (one's company and supply chain). • Employees may not have a means to discuss issues related to labour without interference of companies (one's company and supply chain).	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
		Conflict with local law	• Employees may not have a means to discuss issues related to labour without interference of companies. (one's company and supply chain)	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Community	Resources	Use of natural resources (water and land)	As a chemical company, we are working on reduction of environmental impact and proper management of chemical substances, but the following points are listed as potential human rights issues. • Concerns regarding inappropriate use and disposal by customers (value chain) (eg marine plastics) • The industry may give a huge impact to local communities, as it uses a relatively large amount of resources. Also, it may cause pollution damage to the communities by outflows of hazardous materials and and exposure to them. (one's company and supply chain) • Possible risks of water depletion due to excessive use of water and deforestation by construction of factories. (supply chain) • Impact may be given to local communities due to the depletion of natural resources. (supply chain)			✓	✓					✓		
Society and government	Relations with governments	Bribery and corruption	• If land acquisition is required for establishment of factory or sales (licensing), bribes are required, and the land acquisition as a result may force the local residents to change their living environment. • Because of being involved in corruption, companies may be given a payment order for surcharge regarding violations and an order to stop operations. Also, damaging on reputation is considered, and as a result, the employment of employees may be indirectly affected.				✓	✓		✓	✓	✓	✓	
		Gov'ts with poor human rights awareness	• Acquisition of permits and licenses, and operations in countries with low human rights awareness, and procurement from such countries (such as conflict minerals) may indirectly get companies be involved in occurrence of the negative impact on human rights. (one's company and supply chain).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Remedy			Because we have a wide range of value chains, we may not be able to respond to the following matters in a timely and appropriate manner • Establish a consultation system and set up a contact point in consideration of the local language, reception hours, legal system, and culture. • Provide well-known information on how to access grievance mechanisms, and on the expected handling method and period.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

3.3 Consumer Goods (Cosmetics and daily goods) Sector

Key human rights issues in consumer goods sector			Concrete issues	Value Chain								
				Development	Research	Procure	Produce	Transport	Advertise	Sell	Use	Dispose
Core operation / supply chain	Working Conditions	Working hours	<ul style="list-style-type: none"> Long working hours may be caused by (a) production schedules that presuppose overtime work, as well as attempts to catch up to delays in production schedules in upstream supply chain, (b) low wages that do not match local standards of living, (c) piece-rate work, and (d) repair work of a large volume of defective products or products which need adjustments. Long hours of work may occur due to excessive response for customers and increase of man-power by ambiguous targets. There is a possibility that labor management may be inadequate, or rest days required by law may not be intentionally given, and limits of overtime hours may not be upheld. 	✓	✓	✓	✓	✓	✓			
		Wages	<ul style="list-style-type: none"> Pressure of cost reduction from buyers may lead to non-compliance with minimum wages. Frequent revisions of minimum wages in some countries may lead to non-compliance with minimum wages. Proper rewards for overtime hours may not be paid due to poor compliance with laws/regulations and inadequate labour management. Equal pay for work of equal value may not be practiced. Fair compensation according to productivity may not be paid. 	✓	✓	✓	✓	✓	✓			
		Health and safety	<ul style="list-style-type: none"> Education on health and safety, disaster drills, first-aid drills, and handling instructions on toxic chemical substances may not be thoroughly conducted. Health hazard may occur due to insufficient efforts to improve a harmful working environment to workers' health (loud noise, vibrations, illuminance, room temperature, ventilation and exhaust). Risks of having pregnant women and young people engage in dangerous or injurious work. Workers may be exposed to danger due to aging buildings, illegal constructions, insufficient emergency exits and evacuation passages. 	✓	✓	✓	✓					
		Harassment	<ul style="list-style-type: none"> Workers may be exposed to physical, sexual, mental or verbal harassment and abuse. 	✓	✓	✓	✓	✓	✓			
	Working Conditions	Disciplinary measures	<ul style="list-style-type: none"> Improper content of employment rules may cause improper disciplinary measures and treatments. 	✓	✓	✓	✓		✓			
	Discrimination	During employment During work During use	<ul style="list-style-type: none"> Unequal recruitment/recruitment may be conducted based on disability, LGBT, religion, race, age and gender. Unequal treatment in opportunities for promotion, training and working conditions may be practiced based on disability, LGBT, religion, race, age and gender. Unequal treatment in use may be practiced based on disability, LGBT, religion, race, age and gender. 	✓	✓	✓	✓	✓	✓	✓		
	Child labour	Minimum age	<ul style="list-style-type: none"> Children under the minimum age may be working without verification of their identify, or based on counterfeit identification. Children under the minimum age may be exposed to child labour due to poverty. Children may be exposed to child labour in places such as plantations. 			✓	✓					✓

	Forced or compulsory labour	Forced overtime Human trafficking	<ul style="list-style-type: none"> Workers may be forced to work by violence, the threat of violence, or any other form of coercion. Labor contracts (employment contracts) are not explicitly stated in the document, and workers may be forced to work under unfavorable working conditions. Vulnerable immigrants, refugees, technical interns may be exposed to forced labour. 		✓	✓	✓							
	Freedom of association		<ul style="list-style-type: none"> The formation of labour unions and collective bargaining may be refused without any legitimate reason. Poor treatment or dismissal to union members may be practiced. Workers may get fired due to participation in strikes. 	✓	✓	✓	✓	✓	✓					
Community	Resources	Water stress	<ul style="list-style-type: none"> Use of a large amount of water and pollution of rivers by the inflow of toxic chemical materials may cause an adverse impact on the local environment and health of local residents living in affected areas. 		✓	✓								
		Terrestrial resources	<ul style="list-style-type: none"> Manufacturing products may cause an adverse impact on the protection of forest eco-systems. 	✓	✓	✓	✓							
		Marine resources	<ul style="list-style-type: none"> Manufacturing plastic products may cause an adverse impact on the protection of marine eco-systems. 	✓						✓	✓			
		Waste disposal	<ul style="list-style-type: none"> Leaving waste and dumping waste illegally may be practiced due to not using proper agents. Failure to tackle waste reduction may adversely affect the environment. 	✓	✓	✓	✓		✓	✓	✓			
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> Bribery may be demanded when acquiring license at each stage of the value chain. 	✓	✓	✓	✓		✓					
		Relations to states with poor human rights records	<ul style="list-style-type: none"> Reputational risks and human rights risks are present due to approach to a country with low human rights awareness 		✓									
Consumer	Relations with consumers	Health and Safety	<ul style="list-style-type: none"> Responding to changes in consumer consciousness, developing an ethical market, creating positive action to promote a fair trade may be inadequate. 	✓				✓	✓	✓				
			<ul style="list-style-type: none"> Inadequate efforts to increase the quality and safety of goods, and to mitigate risks for consumers. 	✓	✓	✓	✓	✓	✓	✓	✓			
			<ul style="list-style-type: none"> If correct information is not communicated, the correct usage is not followed. This will bring both the consumer and the manufacturer disadvantageous. 				✓	✓	✓	✓	✓			
			<ul style="list-style-type: none"> Inadequate efforts to improve the traceability of materials and products. 	✓	✓	✓	✓	✓	✓	✓	✓	✓		
			<ul style="list-style-type: none"> Insufficient efforts to solve consumer issues through innovation. 	✓										
		Privacy	<ul style="list-style-type: none"> Personal information such as privacy information and delivery address contained in customer charts and monitor data may be leaked and misused. 	✓			✓	✓	✓					
		Health and Safety of Children	<ul style="list-style-type: none"> Advertisements and promotions may violate children's rights, impair healthy development, or threaten safety and health. 					✓						
		Harassment and discrimination	<ul style="list-style-type: none"> Advertisements or promotions may be associated with discrimination or bullying. And, these seems accepting and encouraging discrimination or bullying. 					✓						
Grievance mechanism			<ul style="list-style-type: none"> Grievance mechanism may not be developed. 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

3.4 Food Sector

Key human rights issues in food sector		Area of risk occurrence	Concrete issues	Value Chain							
				Research Developme	Procure	Produce	Transport	Sell	Consume	Dispose	
Core operation / Supply chain	Workplace conditions	Working hours	global	<ul style="list-style-type: none"> Long working hours may occur at all work in own manufacturing factories including those of suppliers, and in logistics drivers. When production such as seasonal items concentrates, forced labour may occur to keep the delivery date. 	✓	✓	✓	✓	✓		✓
		Wages	global	<ul style="list-style-type: none"> Wage levels do not match the local standard of living. Proper wages are not paid to workers due to the application of piece-rate work in palm farms and fishing grounds. Introducing efforts like fair trade effectively to the society enables to increase consumer's safety and corporate value, as well as pay appropriate wages to local workers. The wages of foreign workers may not meet the minimum standard of living. Housing for them may not be well taken care. 	✓	✓	✓	✓	✓		✓
			Japan	<ul style="list-style-type: none"> Unfair low wages in the Technical Intern Training Program in Japan. 							
	Discrimination	Health and safety	global	<ul style="list-style-type: none"> The health and safety of employees and workers may be threatened due to excessive work, inadequate measures against work-related accidents, handling of chemical substances including agrichemicals, and dangerous work in a process of manufacturing products including raw material suppliers and a process of research and development (Employee = Perspective of Persons with Disabilities). In order to reduce risks, it is important to consider and address cultural differences and diversity such as color barrier-free (consideration of coloring) and direction of opening and closing the door, display of their own language for foreign workers, and support for heavy-duty work by using supporting tools. The physical burden on logistics drivers is heavy (unloading containers and freezer operations), and health considerations may be lacking. 	✓	✓	✓	✓	✓		✓
		Employment	global	<ul style="list-style-type: none"> Discrimination may occur during the recruitment process, based on race, gender, religion, origins including overseas, sexual orientation, sexual recognition, disabilities, ethnicity and beliefs. Debt labour occurs through recruitment fees to sending organizations and payments to foreign language education institutions. There is also a domestic problem of employing workers without being aware of the background. 	✓	✓	✓	✓	✓		✓
			During work	global	<ul style="list-style-type: none"> Safety education may be fully given to workers including foreign employees, disabled persons and temporary workers. Also, they may receive unequal treatment in safety education. Workers may be forced to have unstable employment form. Sexual, power, maternity, SOGI harassment. 	✓	✓	✓	✓	✓	
	Assessment, Treatment, Dismissal	global	<ul style="list-style-type: none"> Discrimination may occur in assessment and treatment based on race, gender, religion, origins, LGBT, SOGI, disability, ethnicity, beliefs, medical history (HIV etc), care for family members, and Infertility treatment. It is necessary to support life for foreign workers and their families, and to prevent isolation in the community. 	✓	✓	✓	✓	✓		✓	
		Japan	<ul style="list-style-type: none"> Female managers in Japan are still few. Delays in barrier-free. The purpose of life of the disabled may be harmed. 								
	Child labour (elementary students)		global	<ul style="list-style-type: none"> Child labour under the minimum labour age may occur. Children may lose the right to education. · Children may suffer from mental and health problems. 	✓	✓	✓	✓	✓		✓
	Employment under 18 years of age		global	<ul style="list-style-type: none"> Involvement in night labour and dangerous labour 	✓	✓	✓	✓	✓		✓
	Forced or compulsory labour	global	<ul style="list-style-type: none"> Forced labour against immigrant workers may occur. Illegal immigrants may receive inhumane treatment. Slave labour in procurement process of agriculture, forestry and fisheries may occur (Working environment at the fishery working site). Long working hours may occur due to excessive requests from business partners. 		✓	✓	✓	✓		✓	
		Japan	<ul style="list-style-type: none"> Exploitation of technical intern trainees (eg taking a passport away), engagement in dangerous labor. Slave labour in procurement process of agriculture, forestry and fisheries (working environment in domestic livestock sites) 								

Core operation / Supply chain	Freedom of association and collective bargaining	Conflict with local law	global	<ul style="list-style-type: none"> Freedom of association and the rights of collective bargaining under international human rights law may not be fully ensured in countries in which unions are not permitted, or unions are permitted but poorly implemented. 	✓	✓	✓	✓	✓	✓	✓
	Access to Remedy		Japan	<ul style="list-style-type: none"> It is necessary to address grievances throughout the value chain. Concerning consumption, it is necessary to provide customer support and multilingual printing. 	✓	✓	✓	✓	✓	✓	✓
	Protection of Privacy		Japan	<ul style="list-style-type: none"> There is a risk of privacy infringement, such as the placement of surveillance cameras for food defense. 			✓	✓			
Community	Resources	Use of natural resources	global	<ul style="list-style-type: none"> Due to large-scale agriculture, fishery and forestry at suppliers of raw materials, communities may face a decrease in agricultural production and catches of fish. Impact may be given on access to water, local ecological systems, and lives and traditions of local and Indigenous people. A single crop production (switch to cash crops) may cause the loss of a self-sufficient food system. Due to construction of factories, local people may lose the access right to water. 	✓	✓	✓	✓			
	Access to land	Title to land	global	<ul style="list-style-type: none"> Titles to the land of local people or indigenous groups may be ignored, especially when constructing such as fields, ponds, factories/manufacturing sites, and waste treatment plants. Deprivation of the rights of local people may occur due to the enclosure of agricultural lands. 		✓	✓				✓
	Investment to community		global	<ul style="list-style-type: none"> The withdrawal of local factories and projects may reduce employment in the surrounding area, as a result and the market may decline. 	✓	✓	✓	✓	✓	✓	✓
	Access to remedy		Japan	<ul style="list-style-type: none"> Attention on not only foreign workers at work, but also ctheir home environment is required. Also, grievance should be addressed. 	✓	✓	✓	✓	✓	✓	✓
Society and government	Relations with governments	Bribery and corruption	global	<ul style="list-style-type: none"> In establishing factories and gaining marketing rights (marketing license), companies may be demanded for bribes to acquire lands and permissions. 		✓	✓	✓			
	Investment to community		global	<ul style="list-style-type: none"> Human rights violations may be caused by adhesion between the sending agency and the relevant government. 		✓	✓	✓			
Consumer	Health and safety	Provision of proper information	global	<ul style="list-style-type: none"> Incorrect food labeling may cause health hazard to consumers. Incorrect understanding may be created by not informing consumers of the right knowledge on food. Provision of information that does not depend on language has not been realised, because "Food Pictogram" that Japan disseminates to the world is used. 					✓	✓	
		Responsible marketing	global	<ul style="list-style-type: none"> Improper marketing may lead consumers (especially minors) to develop poor eating habits. (Occurrence of health hazards such as obesity due to sales of foods high in sugar) Appropriate nutritional guidance and support for local children can be realized. Inappropriate advertising and PR may cause more discrimination. 	✓	✓			✓	✓	
		Quality control	global	<ul style="list-style-type: none"> Inadequate quality control may harm consumers' health. Intentional quality obstruction (food defense). 	✓	✓	✓	✓	✓	✓	
		Responsible disposal	global	<ul style="list-style-type: none"> Waste plastic problem. Human rights of local people are violated by exporting plastic waste to other countries. Consumers require companies to reduce plastics in stages of business activities at product development, procurement and manufacturing. 	✓	✓	✓	✓	✓	✓	✓
	Privacy Protection		global	<ul style="list-style-type: none"> Risks of leaking personal information gained through consumer campaigns, mail order sales, and member registration. (contractor is also considered) Addressing the EU General Data Protection Regulation. 				✓	✓	✓	

3.5 Pharmaceutical Sector

Key human rights issues in pharmaceutical sector			Concrete Issues	Value Chain								
				Research	Develop	Procure	Produce	Transport	Sell	Consume	Dispose	
Core operation/ Supply chain	Working conditions	Working hours	<ul style="list-style-type: none"> Long working hours may occur due to concentration of clinical trial on developed products, concentration of production due to approval of new products, increased production due to pandemic occurrence, and product recall. Long working hours may occur due to excessive customer support. Long working hours may occur due to insufficient labor management based on labor laws of each country / region. 	✓	✓	✓	✓	✓	✓	✓	✓	
		Wage	<ul style="list-style-type: none"> Wage standards may not conform to living standards in the area. Proper wages for overtime work may not be paid due to non-compliance with labor laws of each country / region. There may be unfair treatment (assessment, low wages) in foreign technical internship program 	✓	✓	✓	✓	✓	✓	✓	✓	
		Health and safety	<ul style="list-style-type: none"> Employees' health and safety may be harmed due to dangerous work at research and development sites, handling of animals, cells, compounds or pharmaceuticals, and inadequate occupational safety and health (defective armor, insufficient education, etc.) Health and mental damage may occur due to long working hours. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Health and safety	<ul style="list-style-type: none"> During the clinical development stage of pharmaceutical production, the health and safety of subjects may not be managed properly due to poor ethics of contract research organizations. Moreover, improper involvement in clinical data may occur. 		✓							
		Disciplinary actions	<ul style="list-style-type: none"> Unfair disciplinary actions may be executed by companies. Unfair disciplinary actions may be executed due to the fact that no whistle-blower system has been established. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Discrimination	Employment	<ul style="list-style-type: none"> Discrimination may occur based on sex, age, race, religion, SOGI, presence or absence of disability. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
		During work	<ul style="list-style-type: none"> Harassment (sexual harassment, power harassment, maternity harassment, SOGI harassment) Discrimination in employment form may occur based on gender, age, race, religion, SOGI, presence of disability. Unstable employment form may be forced. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Redundancy and dismissal	<ul style="list-style-type: none"> Organized dismissal may occur based on sex, age, race, religion, SOGI, presence of disability. Unfair pressure may be given based on differences in employment form. 	✓	✓	✓	✓	✓	✓	✓	✓	✓

Key human rights issues in pharmaceutical sector			Concrete Issues	Value Chain							
				Research	Develop	Procure	Produce	Transport	Sell	Consume	Dispose
Core operation/ Supply chain	Child labour	Legal compliance to employment age Employment and dangerous work under 18 years of age	<ul style="list-style-type: none"> • Child labor under the minimum age of each country may occur. • The following problems may arise if young workers are hired under the age of 18. <ul style="list-style-type: none"> - Loss of educational opportunities - Exploitation - Mental and physical damage 	✓	✓	✓	✓	✓	✓	✓	✓
	Forced or compulsory labour	Forced or compulsory labour	<ul style="list-style-type: none"> • Immigrants, refugees, foreign technical intern trainees may be exposed to forced labour by being taken disadvantage of their vulnerable positions. 	✓	✓	✓	✓	✓	✓	✓	✓
	Freedom of association and collective bargaining	Freedom of association and collective bargaining	<ul style="list-style-type: none"> • Participation in labor unions and similar organizations may be obstructed due to retaliation, intimidation or harassment from business people. The opportunity for labor-management consultation is not substantially secured. 	✓	✓	✓	✓	✓	✓	✓	✓
		Measures not permitted by domestic law	<ul style="list-style-type: none"> • Freedom of association and collective bargaining rights (in accordance with international law) may not be ensured in countries where trade unions and similar organizations are not recognized or recognized but not applied in practice. 	✓	✓	✓	✓	✓	✓	✓	✓
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> • Bio-piracy may occur in sourcing natural compounds that are essential for drug development. 	✓		✓					
	Environmental impact of pharmaceutical products	Health and safety	<ul style="list-style-type: none"> • The environment may be polluted by a leakage of animals, cells, pharmaceutical products and chemical compounds to nature. • The health of residents may be harmed due to the environmental pollution. And, the environmental pollution may spread to animals and plants that residents live on. 	✓			✓	✓		✓	✓
Relations with governments	Operations in pre and post conflict countries	Product supply risk	<ul style="list-style-type: none"> • Products may not be provided to people in needed due to unstable social situations. 					✓			
	Entry post conflict countries	Product supply risk	<ul style="list-style-type: none"> • Products may not be provided to people in needed due to unstable social situations. 					✓			
	Bribery and corruption	Relations with authorities	<ul style="list-style-type: none"> • Illegal acts may be conducted for authorities (central governments and local governments) to make a smooth approval for manufacturing and selling. 		✓		✓	✓			
		Relations with medical persons	<ul style="list-style-type: none"> • Falsified data on clinical trials and prescription. Illegal acts may be conducted to request to create data that gives advantage in sales and promotion. 		✓	✓			✓		
	Governments with poor human rights awareness	Relations with public policies	<ul style="list-style-type: none"> • Company's support for national / local public health measures may be used for propaganda by authorities with poor human rights awareness, and for individuals with political beliefs. • Improper treatments may be given due to insufficient governmental counter measures against counterfeit medicines. 					✓		✓	

Key human rights issues in pharmaceutical sector			Concrete Issues	Value Chain									
				Research	Develop	Procure	Produce	Transport	Sell	Consume	Dispose		
Access to Remedy	Grievance	Relationship with patients and study subjects	• Appropriate remedy may not be provided due to insufficient or undeveloped systems.		✓						✓		
		Employee and Supply Chain	• Appropriate remedy may not be provided due to insufficient or undeveloped systems.	✓	✓	✓	✓	✓	✓			✓	
Consumers	Relations with patients	Health and safety	• Insufficient measures may be taken for elimination of counterfeit medicines.				✓	✓			✓	✓	
			• Health hazard may occur due to delay of report on side effects.						✓	✓			
			• Injury may occur due to product failure (including doctors, nurses, pharmacists, etc.)								✓	✓	
			• Investigational new products and therapeutic products to the patient may be given without prior informed consent.		✓					✓	✓		
			• Side effects due to medication or incorrect medication may cause health hazard to the patient.									✓	
			• Damage to the environment may be caused by inappropriate disposal of medicines that the patient can not use (It becomes a problem in the United States that medicines are disposed in toilets).									✓	✓
			• Inappropriate prescription / treatment may be given due to exaggerated PR of product information.								✓	✓	
	• Decline in medical access in depopulated areas may result in failure to properly provide drugs in a timely manner.								✓	✓			
	Response to rare diseases	• Treatment for rare diseases may not be given due to shortage of medicines.		✓							✓		
Others	Public health	Actions to pandemic	• New pandemic virus may endanger lives of people and deteriorate the public health of communities.	✓							✓		
			• Social unrest and security deterioration caused by pandemic may hinder business activities and make it difficult for drugs to be supplied.				✓	✓	✓	✓			
			• Supply of therapeutic products may be delayed when new strains of pandemic influenza breaks out.				✓	✓	✓	✓			
	Personal information	Management of health information of individuals	• When personal information and privacy such as genetic information may be lost, individuals may be identified. Also, personal data may be used illegally.	✓	✓					✓			

3.6 Logistics and Transport Sector

Key value chains in logistics

Create: research, development Buy: capital investment, procurement of ships, vehicles, aircrafts, and fuel Sell: promotion, sales

Transport: operation (storage, logistics, transportation) Dispose: disposal, recycle

Key human rights issues in logistics and transport sector			Concrete issues	Value Chain				
				Create	Buy	Sell	Transport	Dispose
Core operation/ Supply chain	Workplace conditions	Working hours	<p>Logistics and transport industries are a labour-intensive industry. Though it is anticipated that mechanization will be further advanced in the future, laborious work of human beings will still remain.</p> <ul style="list-style-type: none"> Due to the volume of orders, long-term employment can not be made and employees may be exposed to unstable employment forms. Long working hours at sites and subcontracting companies may occur, especially in busy seasons. Long working hours may occur due to work at late night and early morning to cope with time difference with other countries. Because this industry has a high public nature, unexpected long working hours may occur when disasters occur. 	✓	✓	✓	✓	
		Low wages	<ul style="list-style-type: none"> Wages may be lower than the level necessary for workers and their families to live. Working hours may get longer due to expansion of mail-order markets, wages per unit of time may decrease. Changes in distribution volume may affect business volume, resulting in failure to obtain stable income. 	✓	✓	✓	✓	
		Health and safety	<p>At the site of the logistics and transport industry, there is always dangerous work such as loading and unloading heavy objects, transportation, the use of large machinery/vehicles, and working in proximity to trains, aircrafts and ships. It is important to make daily efforts to prevent risks from occurring, in order to keep workplaces safe.</p> <ul style="list-style-type: none"> Occupational accidents may occur when handling heavy machinery or heavy cargoes at shipping vessels, terminals, airplanes and airports. Securing workers' safety in areas of piracy occurrence and regions with geopolitical risks, such as the Straits of Holmes. [shipping business] As this industry has a high public nature, there is a possibility of secondary damage of occupational accidents when disaster occurs Long working hours may cause mental health risks. Potential risks of causing forced and child labour, and threatening the health and safety (other than employees) in supply chains. 		✓	✓	✓	✓
	Discrimination	Employment Environment and Requirement	<p>In anticipation of the shortage of human resources due to the declining population, in recent years, human resources and forms of employment have been diversified such as employment of temporary staff, senior employees, foreign employees, the disabled, full employment of contract employees, and implementation of short work and teleworking.</p> <ul style="list-style-type: none"> There may be unequal treatment in working conditions, training and promotion as various types of human resources are employed under various types of employment. Foreigners may be treated unfairly in employment and treatment. There may be uniform treatment to workers without due concern for diversity (SOGI). 			✓	✓	

Key human rights issues in logistics and transport sector			Concrete issues	Value Chain				
				Create	Buy	Sell	Transport	Dispose
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> In addition to fossil fuels, diversification of energy sources makes a progress including non-conventional natural gas resources and power generation by natural energy. There may be environmental pollution such as air pollution, water quality deterioration and destruction of habitats at suppliers of fuel oils.[B] Air pollution may be caused by gas discharged from many transportation vehicles passing through the transportation route. [T] Oil spill accidents may cause marine environmental destruction. Environmental destruction such as soil contamination, water quality degradation and air pollution may occur due to construction and use of transportation infrastructure such as a factory, distribution center, road, railway, port and airport. The procurement and use of fossil fuels, and an inefficient use of resources may cause climate change and give a negative impact on people's lives. Potential for contributing to sustainable development by efficient use of natural resources (positive impact) In the procurement stage of ingredients necessary for operations, human rights may be threatened in water and sanitation in the area of procurement. [Aircraft] 		✓		✓	
		Use of infrastructure	<ul style="list-style-type: none"> Vehicles, ships, and aircrafts operated by companies may cause damage to the roads, harbors and airports where they operate. Disasters may damage infrastructure and disrupt logistics. Efforts to promptly recover infrastructure such as roads and logistic centers after disasters, and maintain basic infrastructure for local daily life (positive impact). 	✓	✓		✓	
	Security		<ul style="list-style-type: none"> Accidents may cause an adverse affect on health and safety of customers, citizens, and other stakeholders. There may be exercise of excessive use of force by national navies dispatched to the pirate occurrence area and regions with geopolitical risks or by armed guards hired by a company to protect logistic centers with poor security. Armed security guards on board may exercise excessive force against seafarers, crewmembers, and pirates (Shipping industry). Navy and pirates may violate the rights of local residents such as fishermen (Shipping industry). 				✓	
	Community Investment		<ul style="list-style-type: none"> Possibility to contribute to neighbors by cooperating in the operation of emergency relief supplies sites and transportation of emergency relief supplies and support supplies to evacuation centers during occurrence of disasters. (positive impact) Possibility to contribute to industrial revitalization, tourism promotion, job creation, culture promotion and maintenance of the local livelihood base by connecting people and goods and by long-term commitment. (positive impact) 	✓		✓	✓	
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> Potential risk of being involved in bribery and corruption for example by way of a facilitation payment. [T] Potential risk of being involved in collusion, bribery and corruption when negotiating capital investment and route development with governments and administrations. [C/B] 	✓	✓		✓	
Others	Illegal dealing, Trafficking	Trafficking in human	<ul style="list-style-type: none"> Potential risk of being directly involved in transportation of victims of human trafficking. Potential risk of transporting banned goods. Risk of unintentional and indirect involvement in transport of persons involved in child prostitution and organ sales. [Airline] 				✓	✓
	Customers		<ul style="list-style-type: none"> Unnecessary stress may be caused when various customers use public transportation [Airline] Personal information / privacy leaked from customers may be leaked. 				✓	✓
	Digitization		<ul style="list-style-type: none"> Technological evolution (AI, IoT, etc.) may cause unforeseen privacy / human rights issues, and cyber terrorism. 	✓	✓	✓	✓	✓
	Access to remedy		<ul style="list-style-type: none"> Remedy may not be provided if human rights issues in general occur 	✓	✓	✓	✓	✓

3.7 Consulting Sector

Key human rights issues in business operations of one's company in consulting sector

5.11.1 Value Chain

Develop : R&D, survey, planning of audit

Procure : office space, equipment, supplies, procurement of materials, procurement of IT (hardware, software and indirect materials such as data center site, materials, electricity, fuel and water), transportation service(train, taxi, airlines, hotel), intellectual assets (books, paid reports, etc.), events / training space, various online services, etc.

Outsource : outsourcing to partner companies

Provide : planning, proposal, research report, audit plan / preparation, sales / proposal / contract (face to face / net), consulting · providing audit services

Use : use of the provided service (including service) at the client side

one company=develop, procure, provide

Key human rights issues in consulting sector			Concrete issues	Value Chain					
				Develop	Procure		Provide		
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Risks of exposing employees to excessive work under the name of offering services to clients. Work has the self-contained nature. Thus, employees with high aspiration may overwork to complete tasks which do not involve instructions of companies and supervisors. 	✓	✓		✓		
		Wages	<ul style="list-style-type: none"> Proper overtime wages to excessive work may not be paid. 	✓	✓		✓		
		Health and safety	<ul style="list-style-type: none"> Mental health may be impaired due to excessive stress due to long working hours and particular work. Disease progression may occur due to lack of medical examination. Because there are many opportunities to engage in work in low-transparency places such as the client's workplace, there is a risk of damaging physical and mental health due to violence and harassment from the client, and forced overwork. Health may be damaged by engaging in work at a client's workplace or accommodation where safety and health are not considered. 	✓	✓		✓		
	Discrimination	Employment	<ul style="list-style-type: none"> Possibility of discrimination based on race, nationality, gender, sexual orientation, gender identity, disability, creed. (common to other industries) 	✓	✓		✓		
		During work	<ul style="list-style-type: none"> There are risks of discrimination or unfair treatment in training, assignment, assessment and promotion based on race, gender, sexual orientation, sexual recognition, religion, and culture, because a project team consists of multi-national members. There may be no multilingual hotline, and access to remedy may not be fully guaranteed. Female workers may face discrimination or unfair treatment in training, assignment, assessment and promotion when they get pregnant or married. Project members may receive unfair treatment from clients based on race, gender, sexual orientation, gender identity, religion, etc. (eg, women are not allowed as project members). In addition, remedies for human rights abuses incurred in external spaces such as client workplaces may not function effectively. Temporary employees may be forced to do a non-contractual work.(common to other industries) 	✓	✓		✓		
		Redundancy and dismissal	<ul style="list-style-type: none"> Unreasonable pressure aiming for redundancy may be given to temporary employees. (common to other industries) 	✓	✓		✓		
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Risks of using papers in a business workplace, made from raw materials illegal logged or certified materials with environmental, human rights and corruption risks. 	✓	✓		✓		
Society and Government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> Bribes may be used when making a contract. Risk of making unfair proposals and investigations due to all sorts of corruption acts, including not only bribery but abuse of authority 	✓	✓		✓		

Key human rights issues in consulting sector			Concrete issues	Value Chain			
					Outsource	Use	Dispose
Core operation/ Supply chain	Treatment in the workplace	Health and safety	<ul style="list-style-type: none"> • Outsourcing company: <ul style="list-style-type: none"> -Risk of forced long working hours. -Risk of discrimination based on race, nationality, gender, sexual orientation, gender identity, disability, creed. -Unconscious discrimination may occur against foreign contractors due to cultural differences. • Client: <ul style="list-style-type: none"> Human rights abuses may be caused by companies, as they make proposals that may cause human rights abuses and discrimination. (Example: Privacy infringement or human rights infringement by collecting data using AI or big data) • When the case occurs in supply chain of client company, we may contribute to the case indirectly by providing them with service. 		✓	✓	✓
	Discrimination	During work			✓	✓	✓
	Child Labour	Dangerous work and employment			✓	✓	✓
	Forced Labour	Deposits and papers			✓	✓	✓
Community	Resources	Use of natural resources (water and lands)	<ul style="list-style-type: none"> • When the case occurs in supply chain of client company, we may contribute to the case indirectly by providing them with services. 		✓	✓	✓
	Title to land	Voluntary relocation-consultation and compensation			✓	✓	✓
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> • When the case occurs in supply chain of client company, we may contribute to the case indirectly by providing them with services. 		✓	✓	✓
		Relations to states with poor human rights awareness	<ul style="list-style-type: none"> • Some countries where client companies are operating or companies consider entering their domestic markets may have poor understanding of human rights. If we provide our services to the client companies, they may contribute to those countries through investment, sales of goods and services, and taxes. 		✓	✓	✓

List of Participants of 2019 Human Rights Due Diligence Workshop

■ Corporate Participants (24 Companies, 67 Participants)

Maki Goda	AJINOMOTO CO., INC. Associate General Manager, Global Strategy & Planning Group, Group Procurement Center
Youzou Nakao	AJINOMOTO CO., INC. Talent Development Group, Human Resources Dept
Shigeru Sugimoto	ANA HOLDINGS INC. Manager, CSR Promotion
Hiroyuki Ohashi	ANA HOLDINGS INC. CSR Promotion
Ayaka Hirai	QUICK Corp. ESG Research Center Analyst
Rena Kurihara	QUICK Corp. ESG Research Center Analyst
Junko Tomaru	KOSÉ Corporation Manager of Public Relations Section
Mayuko Ushioda	KOSÉ Corporation Public Relations Section
Keiichi Ogawa	KOSÉ Corporation Public Relations Section
Tamao Taneda	KOSÉ Corporation Public Relations Section
Yasuko Okada	Cuore C Cube Co., Ltd. Chairman and Chief Executive Officer
Yumi Namba	Cuore C Cube Co., Ltd. Executive Officer, Business Development Director
Junji Kokubo	SHISEIDO CO., LTD Group Manager, Environment Group, Sustainable Environment Department, Social Value Creation Division
Mayuko Maeda	SHISEIDO CO., LTD Environment Group, Sustainable Environment Department, Social Value Creation Division
Kazuya Doi	SUMITOMO CHEMICAL CO., LTD. Legal Dept.
Hidemi Shintaku	SUMITOMO CHEMICAL CO., LTD. Assistant General Counsel, Legal Dept.
Megumi Noda	SUMITOMO CHEMICAL CO., LTD. CSR Dept.
Manabu Okubo	SEKISUI CHEMICAL CO., LTD. Senior Manager, ESG Management Department
Keiichi Shimada	SEKISUI CHEMICAL CO., LTD. Manager, ESG Management Department
Natsumi Terawaki	SEKISUI CHEMICAL CO., LTD. ESG Management Department

Koichi Kawahara	Chugai Pharmaceutical Co., LTD. Manager, Business Ethics Group, Sustainability Dept.
Emiko Mori	Chugai Pharmaceutical Co., LTD. Senior Specialist, Business Ethics Group, Sustainability Dept.
Yasushi Kato	Chugai Pharmaceutical Co., LTD. Business Ethics Group, Sustainability Dept.
Shuji Sonezaki	TOTO LTD. Chief Senior Planner ESG Promotion Section, ESG Promotion Department, Management Planning Division
Eriko Takahashi	TOTO LTD. ESG Promotion Section, ESG Promotion Department, Management Planning Division
Motoharu Miyazaki	Toyo Seikan Group Holdings, Ltd. General Manager, CSR Communication Group, CSR Department
Toshihide Ieki	Toyo Seikan Group Holdings, Ltd. Assistant Manager, CSR Communication Group, CSR Department
Satoshi Nakatani	NAXIS CO., LTD. Director, Sustainable Project Division
Masano Imohara	NICHIREI CORPORATION Group Leader, CSR Promotion, Group Communication
Yoshinori Okada	NICHIREI CORPORATION Professional CSR Promotion & Public Relations Group Communication
Isamu Kibe	NICHIREI FOODS INC. Manager, Strategic Planning Group, Strategic Planning Department
Noriya Akinobu	NISSHIN SEIFUN GROUP INC. General Affairs Department, General Administration Division
Masako Ishimori	NISSHIN SEIFUN GROUP INC. General Affairs Department, General Administration Division
Shimpei Yamazaki	NISSHIN SEIFUN GROUP INC. General Affairs Department, General Administration Division
Mayako Watanabe	NISSHIN SEIFUN GROUP INC. General Affairs Department, General Administration Division
Mihoko Nagai	NISSHIN SEIFUN GROUP INC. Public Communications Department, General Administration Division
Miwa Keiichi	NISSHIN SEIFUN GROUP INC. Consumer Relations Office
Akiyo Okuda	NISSHIN SEIFUN GROUP INC. Consumer Relations Office
Manae Oki	NISSHIN SEIFUN GROUP INC. Consumer Relations Office
Hitomi Meisaku	NISSHIN SEIFUN GROUP INC. Environmental Management Group, Technology & Engineering Division
Etsuko Tanaka	NH Foods Ltd. General Manager, Corporate Social Responsibility Department
Eiichiro Ono	NH Foods Ltd. Assistant General Manager, Corporate Social Responsibility Department

Yoshiaki Sakurai	NYK Line Manager, CSR Team, IR Group
Misa Sano	NYK Line CSR Team, IR Group
Rie Adachi	NYK Line GHR Coordination Team, Human Resources Group
Kenji Honda	Nomura Research Institute, Ltd. Manager, Sustainability & Responsibility Group
Noriko Sato	Nomura Research Institute, Ltd. Senior Consultant, Corporate Innovation Consulting Department
Mari Kojima	FUJIFILM Holdings Corporation Manager, ESG Div.
Yuko Araki	FUJIFILM Holdings Corporation Manager, ESG Div.
Toshihiko Hoshino	FUJIFILM Holdings Corporation ESG Div.
Takeshi Aoki	Bridgestone Corporation General Manager, Organization Planning Dept.
Nobuko Sakurai	Bridgestone Corporation Manager, Diversity Promotion Unit, Organization Planning Department
Satoshi Murota	Bridgestone Corporation Diversity Promotion Unit, Organization Planning Department
Satoshi Arita	POLA ORBIS HOLDINGS INC. Manager, Corporate Communications Div., Corporate Social Responsibility
Naoki Usui	POLA ORBIS HOLDINGS INC. Corporate Communications Div., Corporate Social Responsibility
Maiko Tsutsui	POLA ORBIS HOLDINGS INC. Corporate Communications Div., Corporate Social Responsibility
Midori Abo	POLA ORBIS HOLDINGS INC. Corporate Communications Div., Corporate Social Responsibility
Yoshiyuki Itoh	MITSUI CHEMICALS, INC. Manager, Corporate Sustainability Div.
Noriko Minamizaki	MITSUI CHEMICALS, INC. Manager, Corporate Sustainability Div.
Jun Okumura	Mitsubishi Chemical Holdings Corporation Group Manager, KAITEKI Promotion Office, Corporate Strategy Division
Watanabe Noboru	Mitsubishi Chemical Holdings Corporation Manager, KAITEKI Promotion Office, Corporate Strategy Division
Yasushi Sekiguchi	MORINAGA MILK INDUSTRY CO., LTD. Manger, Dairy Sustainability Group, Dairy Farm Services Department Manufacturing Division
Koji Hashimoto	MORINAGA MILK INDUSTRY CO., LTD. Manager, Environmental Affairs Group, CSR Promotion Department Corporate Communication Division
Rina Kitayama	MORINAGA MILK INDUSTRY CO., LTD. Assistant Leader, Environmental Affairs Group, CSR Promotion Department Corporate Communication Division

Mamiko Nakamura	MORINAGA MILK INDUSTRY CO., LTD. Competent, Social Contribution Promotion Group, CSR Promotion Department, Corporate Communication Division
Hiroyasu Abe	YAMAHA CORPORATION Leader, Sustainability Group, General Administration Division
Kaoru Yoshioka	YAMAHA CORPORATION Manager, Sustainability Group, General Administration Division

■ Organizations that Raised Issues (13 Organizations, 13 Participants)

Hiroaki Kawate	Bureau Veritas Japan Co., Ltd. Social & RBA Audit, Systems Certification Division (CER)
Kaoru Takahashi	WaterAid Japan Executive Director
Chiaki Furusawa	WWF Japan Forest Programme
Yuichi Kamiya	Japan Alliance for Legislation to Remove Social Barriers based on Sexual Orientation and Gender Identity (Japan Alliance for LGBT Legislation, J- ALL) Executive Director
Hideaki L Nakagawa	Amnesty International Japan Executive Director
Hiroaki Odachi	GreenPeace Japan Public Engagement Offline Engagement Coordinator
Junichi Mishiba	Friends of the Earth Japan Forest Program Coordinator
Mitsuo Wakameda	The Japan Research Institute, Limited Research & Consulting Division, Executive Senior Consultant
Yukiko Furuya	Consumer Conference for Sustainability (CCFS) Representative, Consumer Affairs Specialist
Machiko Kaida	Japan International Center for the Rights of the Child (C-Rights) Executive Director
Akira Hatate	Japan Civil Liberties Union Director
Mariko Yamaoka	Citizens' Network to Build a Sustainable Society through Responsible Consumption (SSRC) Co-Director NOT FOR SALE JAPAN Director
Akiko Sato	Kotonoha Law Attorney-at-Law

■ Organizer

Caux Round Table Japan, Nippon CSR Consortium