

Global Stakeholder Engagement Program

Overview

Date: 7th October 2019 at AP Tokyo Marunouchi Nippon Seimei Marunouchi Garden Tower

Host: Caux Round Table Japan

Introduction

Hiroshi Ishida, Executive Director of CRT Japan, first introduced the organization and the work it does in Japan and abroad. Then, he presented that since 2012, CRT Japan has held annual stakeholder program in Tokyo that Japanese businesses, NGO/NPO, social businesses and subjective experts participated in. And, in response to the increasing concern from the society on supply chain practices of Japanese companies, it has scaled up its program to hold in Thailand in 2016, in Thailand, Malaysia, and Myanmar in 2017, and in Thailand, Malaysia, and Indonesia in 2018. In 2019, CRT Japan conducted a dialogue with Japanese companies and small-scale palm oil farmers in Indonesia, and conducted a dialogue on activities of Fishing Industry in Thailand.

Next, Minoru Matsuzaki from CRT Japan reported on the Stakeholder Engagement Program in Japan. As a feature of the 2019 Program, 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. Regarding 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.

Lastly, Hiroshi Ishida from CRT Japan shared a plan for next year that CRT Japan would continue to provide dialogue sessions such as with small-scale palm farmers in Asian countries. Then, the participants and the foreign experts conducted the discussion to exchange their views. The following shows the main points of the discussion.

Comments from the Global Experts

- Human rights issues are very difficult for companies with limited resources to address by themselves. For example, it is important to work on human rights issues related to conflict minerals in cooperation with industry initiatives such as the Responsible Business Alliance (RBA). In the aviation industry, it is important to deal with human trafficking.
- Several organizations have already begun their initiatives to assess, benchmark and disclose corporate efforts of human rights. Every year, companies that engage with these organizations tend to improve their practices to respect human rights.
- The disclosure of human rights initiatives by Japanese companies is behind that of global companies. Without disclosure, ESG investors may judge that this company makes little

progress for respect of human rights.

- Japanese companies are behind of development of grievance mechanisms that help to listen to the voices of individuals whose human rights may or may have been negatively impacted, which is required by the UN Business and Human Rights Guiding Principles. Their grievance mechanisms have not been expanded and accessible to their business partners and local communities.
- Be aware of “Going Beyond Audit” when addressing human rights. An effort to realize respect for human rights is to continuously engage with external experts and individuals who are negatively affected, and to communicate that effort to the outside.
- When addressing human rights issues, it is important to conduct a root cause analysis. We must identify and address why child labour occurs, why living wages are not paid, what kind of impact child labour has on children, how it affects children's education, etc.
- The issue of migrant workers in Japan is recognized globally. Japanese companies should investigate whether human rights of migrant workers working in the service industry, logistics, warehouses, as well as manufacturing sites in the supply chain, have been violated, and must correct them if violated.
- It is important that companies work with competitors to leverage their influence and engage not only with first-tier suppliers but also with multi-tier suppliers.
- Since human rights issues are for everyone involved in business activities, it is important to engage in human rights issues not only in the CSR Department but also in other departments.
- In some companies, the Legal Department has begun working on human rights issues. However, is management involved in addressing human rights issues? Do you conduct human rights training and training for management? Are human rights issues discussed at the board meeting?
- Human rights awareness and initiatives are progressing at the headquarters, but are overseas subsidiaries in Asia where human rights issues are becoming more apparent conducting trainings that raise awareness of respect for human rights and initiatives to promote human rights? Do you assess the negative impact on the communities in which your business operate?
- It is important not only to comply with laws and regulations in the countries and regions where you conduct business, but also to strive to maximize respect for international human rights principles.



Participants of this program



Discussion among participants

Foreign Experts :

- **Dirk Hoffman**
Senior Advisor on Human Rights and Business, Danish Institute for Human Rights
- **Gus McFarlane**
Vice President, Verisk Maplecroft
- **Livio Sarandrea**
Manager and Chief Adviser of Regional Program on Business and Rights
United Nations Development Programme (UNDP) Bangkok Regional Hub
- **Neill Wilkins**
Responsible for the migrant workers program,
Institute for Human Rights and Business (IHRB)
- **Rishi Sher Singh**
Supply Chain Sustainability Expert
- **Dr. Puvan Selvanathan**
CEO, Blunumber
- **Camille Le Pors**
Senior Research, Corporate Human Rights Benchmarks (WBA/CHRB)
- **Paulina Murphy**
Engagement Director, World Benchmarking Alliance (WBA)

Participants :

- FUJIFILM Holdings Corporation
- Chugai Pharmaceutical Co., LTD.
- SEKISUI CHEMICAL CO., LTD.
- ANA HOLDINGS INC.
- NAXIS CO.,LTD.

Secretariat :

- Caux Round Table Japan