

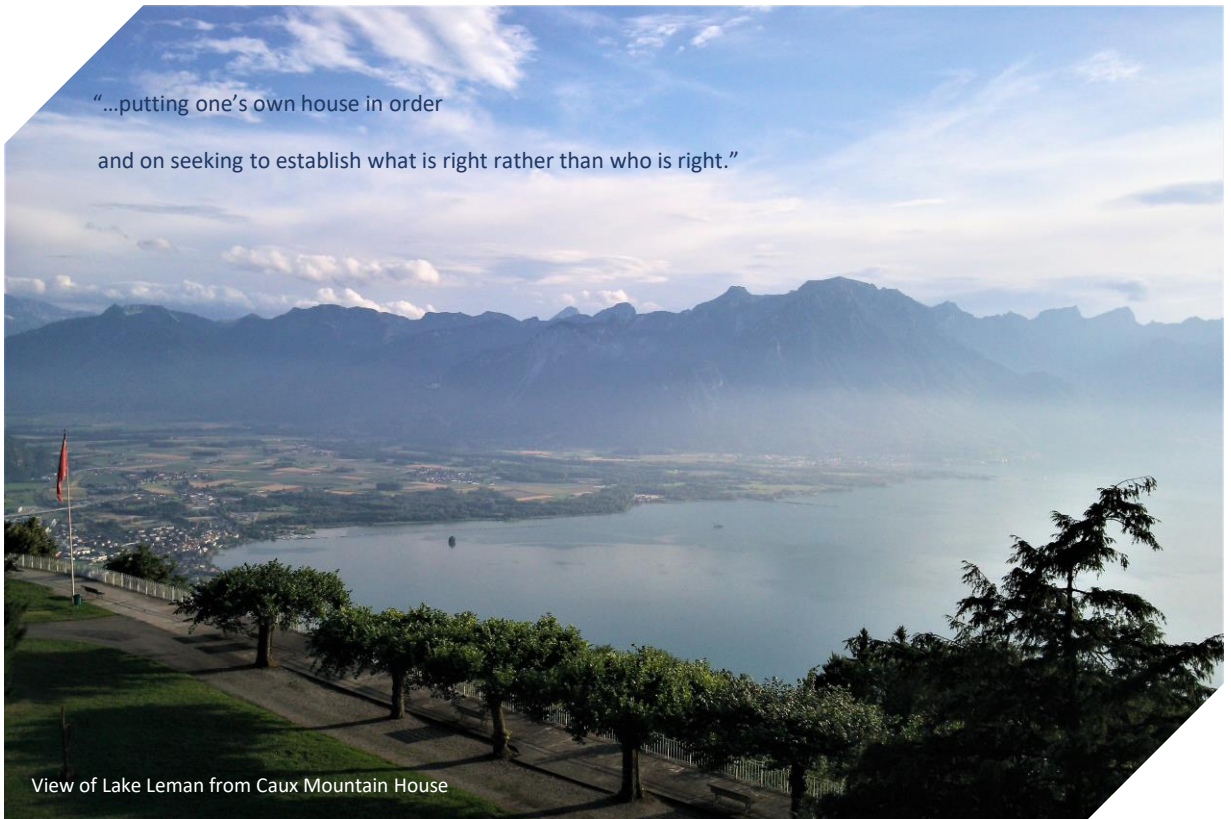
Caux Round Table Japan

2020 Annual Report

(January 1, 2020 – December 31, 2020)

“...putting one’s own house in order

and on seeking to establish what is right rather than who is right.”



View of Lake Lemman from Caux Mountain House

About CRT Japan

Caux Round Table (CRT) is a global network of business leaders working to realize a fair, free and transparent society through sustainable and socially responsible business. Since its establishment in 1986 at Caux in Switzerland, the members of CRT have launched operation offices in the United States, European and Asian countries, to promote and disseminate corporate social responsibility (CSR) and responsible business behavior based on the CRT Principles for Business established in 1994. This Principles is built on three concepts reflecting values from US, Europe and Japan, that are ‘Kyosei’, ‘Human Dignity’ and ‘Stakeholders Principle’ respectively. This is the first code of conduct in the world history formulated by business leaders from US, Europe and Japan despite of different cultures, customs and religious backgrounds. Since 1986 the International Initiative of Change Japan Association had accommodated the secretariat of CRT organization in Japan. In April 2000, the organization was re-established as an independent entity Caux Round Table Japan (CRT Japan) aiming at starting more proactive operations. In 2006, CRT Japan became a registered NPO (Non-Profit Organization). Following the philosophy “...putting one’s own house in order and on seeking to establish what is right rather than who is right.”, CRT Japan assists promotion of sustainability/CSR in Japanese industries, and effective implementation at business, through various initiatives.

<CRT Principles for Business> *CRT Japan Home Page

<https://crt-japan.jp/about/guideline/>

Vision and Mission

Vision

Contribute to the sustainable development of both business and society

Mission

CRT Japan aims to promote corporate social responsibility (CSR) and business ethics based on a comprehensive and practical analysis of business and society.

We provide support for the implementation of corporate social responsibility with valuable advice and workable solutions that meet individual company’s needs.

CRT Japan Policy

1. Bridging between Japan and the world, business and NGOs

Effective CSR/sustainability cannot be achieved without understanding global CSR/sustainability trends and listening to the voices of stakeholders.

CRT Japan has been producing a place of dialogue for stakeholders at home and abroad, as a bridge between the world and Japan, and between business and NGOs.

2. Impact × Scalability

In order to optimize the effects of CSR/sustainability initiatives, Impact and Scalability are indispensable.

CRT Japan supports optimization of ‘impact’ and ‘scalability’ from various perspectives and realization of CSR/sustainability that contributes to increasing a corporate value.

3. Think × Do tank = Sustainable Navigation

Effective CSR/sustainability cannot be achieved without practice.

In addition to research of the latest global CSR/sustainability trends, CRT Japan facilitates making viable strategies and its implementation through provision of collaborative platforms and pragmatic tools.

Domains of Activity

CRT Japan contributes to the promotion of CSR/sustainability by synergistically developing business activities in four domains:

CSR Activity: Activities to promote in the Japanese industry

PSR Activity: Activities to foster human resources being responsible for materializing a fair society

Seminar Activity: Activities to introduce global information to Japan and disseminate Japanese opinions/inputs to the world

International Cooperation Activity: Activities to promote global networking and collaboration

Activity Report

Activity Review

Trend at Home and Abroad

While companies have been required to implement human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights (henceforth, the Guiding Principles), legislation led by governments have been accelerating following the Modern Slavery Act enacted by the UK government in 2015, for example, enactment of Modern Slavery Act by the Australian government in 2018, and other national governments' efforts of formulating the national action plan has been becoming more prominent. On the other hand, ESG investment, which incorporates ESG factors including companies' human rights measures into investment decisions, has expanded and the companies are now being scrutinized for their negative impact on society in financial markets. The circumstance of the global economic stagnation caused by the spread of COVID-19 pandemic has tended for human rights violations of vulnerable workers and producers to become more severe than ever before. Within Japan, some companies made serious efforts to improve the working conditions and work environment of their workers and to understand the labor situation, as part of their risk management and for the strengthening of their supply chain management systems. Regarding human rights, the number of companies formulating human rights policies and conducting human rights due diligence has been increasing, and some companies have started introducing grievance mechanisms. Even in the midst of difficult business conditions in the short-term due to the impact of COVID-19, there is movement of strengthening ESG management in order to prepare for long-term resilience.

Overview of Activities in FY2020

In the year 2020, CRT, we focused on the following activities based on the UN Guiding Principles, just as the previous year.

- In order to integrate "business and human rights" with management strategies, we have conducted a human rights impact assessment and built a platform for non-financial information disclosure to contribute to management indicators and ESG investment evaluation.
- In the supply chain, we established a system that enables direct communication between companies and on-site producers and workers, and coordinated dialogues and workshops for preventing human rights violations.
- Regarding supply chain management, for promoting "visualization" of the supply chain, we worked with our partners, SEDEX and Bluenumber, to support enhancement of corporate traceability.

► Activity Report

CSR Activity

CRT Japan assists development of CSR that satisfies the global standards through two approaches: provision of a common platform that multiple companies can participate, aiming at promotion of CSR/Sustainability in Japanese industries and business; and provision of consultation service adopting particular needs and contexts of individual companies.

In the year 2020, the common platform for multi-company was provided at the Stakeholder Engagement Program (SHE), held as a regular annual program. The program has marked the 9th time in Japan (SHE in the Asian regions were cancelled due to the impact of COVID-19).

As the consultation service in the area of “Business and Human Rights”, it covered assistance to stakeholder dialogues, human rights risk/impact assessments and supply chain management, etc., based on the comprehensive human rights due diligence process stipulated by the UN Guiding Principles.

In the area of “ESG investment”, we supported companies’ efforts of information disclosure. Dialogues with foreign countries and human rights impact assessments were held in an online format.

Main activities in FY 2020

Stakeholder Engagement

- Stakeholder Engagement Program

Business and Human Rights

- Support for generating: Policy on Human Rights, Human Rights Report, Statement and under UK Modern Slavery Act
 - Human Rights Risk Assessment & Impact Assessment
 - Development and introduction of a systems for grievance mechanism

ESG Investment

- Support for ESG information disclosure (analysis of ESG open sources, reporting, ESG rating, etc.)
 - Score card preparation for integration of management strategy and ESG (e.g., identifying KPI, etc.)
 - Cooperated with WBA (World Benchmarking Alliance)’s Social Transformation Benchmarking

Supply Chain

- Establishing responsible supply chain by using SEDEX*

*SEDEX: an NPO organization providing a global data base “Supplier Ethical Data Exchange”

▶ Activity Report

PSR Activity

Recognizing that not only promoting Corporate Social Responsibility (CSR) but also promoting Personal Social Responsibility (PSR) and individual practice arising from PSR are intrinsically important for materializing an ethical and fair economic society, CRT Japan provides a liberal arts program and a human resource development program targeting next generation executive managers in companies. The Liberal Arts Course is designed to develop a comprehensive higher perspective that enables an individual to peruse essence of a matter, while the human resource development program is designed to refining an unwavering decision-making criteria based on individual fundamental value.

In 2020, the CRT Japan Committee developed its own systematic PSR Basic Program, while also utilizing the online format. We also continued to offer liberal arts courses in collaboration with the Japan Management Association.

Main activities in FY 2020

Liberal Arts Course in collaboration with Japan Management Association

PSR Basic Program

※Furthermore, the PSR Advanced Program and PSR Caux Session were deferred due to the impact of COVID-19.



Dialogue with Small-scale Palm Oil Farmers | CSR Business Activities
(Tokyo-Indonesia : Online format)



ESG Dialogue | CSR Business Activities
(Tokyo-UK · Netherlands : Online format)

► Activity Report

Seminar Activity

Utilizing its global network, CRT Japan holds international conferences and seminars to introduce the latest global information to Japan and communicating Japanese opinion to the world. In 2020, we held the International Conference on Business and Human Rights, which was the 9th conference in the last 8 years, and there were a total of approximately 180 participants, including overseas experts, business persons, NGOs/NPOs, international organizations, and civil servants. This international conference, that gathers human rights experts and NGOs from around the world to discuss human rights issues in Japan every year, has been developed and established as space for accessing the latest global update. In 2020, however, due to the impact of COVID-19, the conference was held in an online format, connecting Tokyo and overseas. In addition, since 2012, we have been implementing GRI* Certified Training as a GRI certified training partner, and in 2020, newly began providing ESG practical training. (*) GRI (Global Reporting Initiative): A non-profit organization acting with mission of creating the international standard of sustainability reporting.

Main activities in FY 2020

Business and Human Rights Conference in Tokyo (October, Held Online)

GRI Standard Certified Training

ESG Practical Training

Other Seminars and Lectures (one-time events: key events* in 2020)

- WBA (World Benchmarking Alliance) — Information session on Corporate Valuation Benchmarking
- ILO and IHRB Joint Seminar — What companies need to now about the migration of the labor force to Japan
- Latest “Business and Human Rights” trend in India
- Allowing for a centralized understanding — Information on the Foreign Worker Information Aggregate System



Business and Human Rights Conference Intellectual Dialogue | Seminar Program (Tokyo-Europe: Online format)



GRI Certified Training Program | Seminar Activity (Tokyo)

► Activity Report

International Cooperation Activity

Global landscape of sustainability has been undergoing rapid sea changes, such as international consensus building initiated by the UN Sustainable Development Goals (SDGs) and the UN Guiding Principles for Business and Human Rights; and subsequent rise of global demands for responsible supply chain, responsible investment and transparency. For collection of the latest global mega trends and promotion of global networking and collaboration, CRT Japan has been actively participated in international conferences and initiatives.

In the year 2020, we continued from the previous year to actively network with rule makers who have been developing new benchmarks for the ESG investment. We also participated in international conferences and initiatives in an online format.

Main activities in FY 2020

Conferences/initiatives participation:

- ICB India International Conference (February, Panchgani, India)
- The UN Forum on Business and Human Rights (November, held online)
- Forum for Cooperation between NGOs and Companies (hosted by Japan NGO Center for International Cooperation (JANIC))
- SDGs Civil Society Network
- Corresponding to the renewed ESG investment benchmarks by networking with the World Benchmarking Alliance (WBA)



ICB International Conference | International Cooperation Activities
(Panchgani, India)

Financial Results

Statement of activities

(Yen)

Accounts title	FY 2020	FY 2019
	(From Jan.1 to Dec.31, 2020)	(From Jan.1 to Dec.31, 2019)
I Ordinary revenue	136,050,684	166,835,002
1 Membership fees	1,550,000	1,500,000
2 Subsidy received	5,190,040	0
3 Program revenue	128,881,260	164,944,705
(1)Revenue from CSR promotion activities	128,298,260	164,944,705
CSR activity revenue	97,553,260	117,858,673
PSR activity revenue	23,232,000	36,696,872
Seminar revenue	7,513,000	10,389,160
(2)Revenue from international cooperation activities	583,000	0
4 Other revenue	429,384	390,297
II Ordinary expenses	117,823,413	153,845,400
1 Program expenses	77,524,306	113,907,847
(1)Personal expenses	47,673,130	53,235,424
(2)Other expenses	29,851,176	60,672,423
2 Administrative expenses	40,299,107	39,937,553
(1)Personal expenses	20,912,316	23,973,261
(2)Other expenses	19,386,791	15,964,292
Changes in ordinary revenue and expenses	18,227,271	12,989,602
III Non-ordinary revenue	0	0
IV Non-ordinary expenses	0	0
Changes in current net assets before income	18,227,271	12,989,602
Income taxes-current	13,204,800	1,784,200
Changes in current net assets	5,022,471	11,205,402
Net assets brought forward	36,184,321	24,978,919
Net assets carried forward	41,206,792	36,184,321

Balance sheet

(Yen)

Accounts title	FY 2020	FY 2019
	(As of Dec.31, 2020)	(As of Dec.31, 2019)
I Assets		
1 Current assets	42,152,227	37,669,975
Cash and deposits	34,405,677	32,233,741
Accounts receivable	5,546,550	5,436,234
Advance payments	2,200,000	0
2 Fixed assets	1,030,001	1,030,001
Tangible fixed assets	1	1
Furniture and fixtures	1	1
Intangible fixed assets	0	0
Investments and other assets	1,030,000	1,030,000
Security deposits	1,030,000	1,030,000
Total assets	43,182,228	38,699,976
II Liabilities		
1 Current liabilities	1,975,436	2,515,655
Accounts payable	402,464	547,750
Advances received	0	253,000
Deposits received	1,572,972	1,714,905
2 Fixes liabilities	0	0
Total liabilities	1,975,436	2,515,655
III Net assets		
Net assets brought forward	36,184,321	24,978,919
Changes in current net assets	5,022,471	11,205,402
Total net assets	41,206,792	36,184,321
Liabilities and net assets total	43,182,228	38,699,976

Organization

Board Members (as of March 2021)

Chair

Hironori Yano Former Chairperson, Central Nippon Expressway Co., Ltd.
Chairperson, International IC Association of Japan

Vice Chair

Morihisa Kaneko Associate, Panasonic Corporation

Directors

Hiroshi Ishida Executive Director, CRT-Japan

Kiyohisa Kondo Member of Board of Directors, Senior Management Officer, Director
General, Corporate Strategy, Headquarters
Central Nippon Expressway Co., Ltd

Yasuhiro Tanaka General Manager, Tokio Marine & Nichido Fire Insurance Co., Ltd.

Yuko Tsutsui Executive Officer & General Manager Governance Group General
Affairs Headquarters, NYK Line

Masakazu Negoro Managing Executive Officer, Senior Vice President, Procurement,
Global, Chief Procurement Officer, Kao Corporation

Chikako Miyata Senior Vice President, Legal & Insurance,
General Administration and Sustainability, ANA HOLDINGS INC.

Auditor

Hiroto Miyake Certified Public Accountant

Honorable Chair

Toru Hashimoto Honorable Advisor, Mizuho Financial Group
Member of the Board of Directors,
The Japan Economic Research Institute

Caux Round Table (CRT)の歴史

『経済人コー円卓会議』は通商問題に端を発して日米欧の経済人達によって設立されました。その背景としては、企業が社会の信頼を獲得し建設的な貢献を果たすとともに、様々な摩擦を解決するためには、まず企業自らが行動を律することが基本である、との認識で一致したことが挙げられます。日本では、2000年4月に経済人コー円卓会議日本委員会（CRT-Japan：CRT日本委員会）として新たに組織化され、現在にいたっています。

1986

第1回会議がスイス・コーで開催される。
フレデリック・フィリップス（フィリップス社元社長）とオリビエ・ジスカールデスタン（ヨーロッパ大学院元副理事長）により創設。以降、競争のルール作りや企業の社会的責任を明らかにしようとの議論が続く。

1992

第7回会議
「公正な競争と共存共栄との両立をはかる『共生』の理念」がキャノンの故賀来会長をはじめとする日本側参加者より提案される。その後、公正な企業活動の行動指針をステークホルダーズ（企業を取り巻く利害関係者）ごとにまとめた『ミネソタ原則』が米国側から発表され、続いてヨーロッパ側からも企業に従事する個人の尊厳を強調する『人間の尊厳』の精神が提案される。

1994

第9回会議
日米欧の価値を盛り込んだ『経済人コー円卓会議・企業の行動指針』を採択。

History of Caux Round Table

The Caux Round Table was initially founded by business leaders of Europe, the United States of America and Japan to address mounting trade tensions. The business leaders at the time reached an understanding that to solve various trade tensions, business need to review oneself so that business can win trust from society and contribute constructively. In April 2000, Caux Round Table -Japan was established. -----

The first conference was held in Caux, Switzerland. The Caux Round Table was founded in 1986 by Frederick Phillips, former President of Philips Electronics and Olivier Giscard d'Estaing, former Vice-Chairman of INSEAD, as a means of reducing escalating trade tensions. Since then, the Caux Round Table has been discussing key issues such as developing rules for competition, Corporate Social Responsibility.-----

The 7th Caux Round Table Conference-----
Ryuzaburo Kaku, the former President of Canon Inc. led the Japanese delegation and suggested the principle of "Kyosei" as a key principle for business. "Kyosei" means "Living and working together for the common good." The American delegation suggested "Minnesota Principles for ethical and socially responsible business" and the European Delegation suggested "Human Dignity" as a key principle.-----

The 9th Caux Round Table Conference-----
The CRT Principles for Business incorporating principles from Japan, the United States and Europe was formally launched.-----

特定非営利活動法人

経済人コー円卓会議日本委員会

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CAUX ROUND TABLE