

26th November, 2021
Nippon CSR Consortium

Version for Public Consultation

2021 Human Rights Due Diligence Workshop (Tokyo, Japan)
Invitation to Comment on “Human Rights Issues by Sector (draft)”

Since September 2012, the Nippon CSR Consortium has been working to provide a forum in which to identify and discuss negative human rights impacts that may arise as a result of corporate activities. This work has been conducted in collaboration with companies from various industrial sectors, as well as NPOs, NGOs and human rights experts in academia.

The ninth Human Rights Due Diligence Workshop for 2020 continued to use the Human Rights Guidance Tool developed by the United Nations Environment Programme Finance Initiative (UNEP FI) to identify sector specific human rights issues. However, in the year 2021, society has been under tremendous impact due to the impact of Covid-19, which became a pandemic. A total of eight workshops were held during the period from August 8 to September 30, and this document has been compiled. To facilitate the free and deep discussion, this workshop adopts Chatham House Rule. Remarks in the discussion express views of individual participants, not views of representative that belong to companies or organizations. The sole responsibility for the content of this document lies with CRT Japan, as an organizer of Nippon CSR Consortium.

This paper is the result of a series of discussions in the workshop. The Consortium hereby releases “Human Rights Issues by Sector (draft)”

1. Subject

Human Rights Issues by Sector (draft)

2. Application

(1) Consultation Period

26th November 2021 – 26th December 2022 (Japan Time)

(2) Submission Address

Please send your comments to CRT Japan’s Nippon CSR Consortium secretariat, by e-mail (info@crt-japan.jp) as an attached document in Word format. Please kindly be advised that we are unable to accept comments through other methods (such as by telephone, fax, or post), nor are we able to accept anonymous submissions.

(3) Application Procedure

Address to: Secretariat of the Nippon CSR Consortium (in CRT Japan)

Subject: Comment on “Human Rights Issues”

Organization/Affiliation and Name: (Department, Name)

Email and Telephone :

(4) Comments:

We invite public comments on the following questions. In the description of your comments, please specify the industry sector, page number, and concrete issue that your comment addresses. Depending on your needs, please enter your comments on the Public Comments sheet (Appendix 2).

1. Please share any comments on the concept and procedure of this workshop
2. Please freely respond with any comments on “Human Rights Issues by Sector (draft)”
3. The final report is scheduled for publication in February 2022. What kind of format and/or procedure do you consider would be most appropriate for finalizing the report?

(5) Submission and Inquiry

Secretariat of Nippon CSR Consortium (in CRT Japan Office)

E-mail: info@crt-japan.jp

3. Management and Handling of Comments

The comments on the draft submitted to the Nippon CSR Consortium will be used for the future reference of participants in the discussions. Please note that we are unable to respond to individual comments. All the comments, personal names and/or corporate and organizational names submitted may be disclosed on the CRT Japan website, however addresses, telephone and fax numbers, and addresses of the commenter’s will not be published. If the comments include private information, by which a particular individual can be identified, or any information deemed to damage a property right of an individual person or a corporation, pertinent sections of the text will be deleted at the time of publication.



Hiroshi Ishida
Executive Director, Caux Round Table Japan

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Appendix 1: Public Comments Sheet

1 Preface

1-1. Purpose of the Human Rights Due Diligence Workshop

The Nippon CSR Consortium was established in September 2012 to raise awareness and promote activities in the fields of business and human rights by offering a forum in which companies can discuss human rights issues with NGOs/NPOs and human rights experts. Since 2012, the Consortium has held the Human Rights Due Diligence Workshop. In 2012 the 68 participants consisted of 39 companies and 11 organizations, in 2013 the 35 participants were from 15 companies and 12 organizations, and in 2014 the 68 participants were from 34 companies, 17 organizations and others, in 2015 the 98 participants in the first section of the workshop were from 48 companies and 17 organizations. In 2016, the 73 participants were from 40 companies and 14 organizations. In 2017, the 67 participants were from 23 companies and 17 organizations. In 2018, the 60 participants were from 17 companies and 14 organizations. In 2019, the 79 participants were from 25 companies and 13 organizations. In 2020, the 60 participants were from 20 companies and 10 organizations. In 2021, the 71 participants were from 26 companies and 10 organizations.

There are some underlying factors that contributed to the establishment of the consortium. Companies face difficulty in responding to various demands and expectations from a broad range of their stakeholders. Therefore, it is effective and useful for companies to join this consortium, discuss and identify what human rights issues they need to address with NGOs/NPOs, and plan to carry out their human rights activities in their companies. The consortium also emphasizes sustainability of activities. It is important for companies to be committed to continuous efforts for incremental improvement. In order to respond dynamically to a diverse range of issues, it is also important for companies to stay abreast of changes and issues in the society that potentially link their activities to human rights impacts.

The Nippon CSR Consortium positions the workshop as an activity that aims to assist companies in (1) identifying and assessing any actual or potentially adverse human rights impacts as defined in the UN Guiding Principles¹, which are connected to their activities, and (2) integrating and acting upon the findings, (3) reporting, and (4) tracking improvement continuously. We hope participants' companies can use the knowledge acquired at this programme to support their human rights due diligence activities at their companies.

The "Human Rights Issue by Sector (draft)" represents the outcome of the discussions started in August, and is hereby opened for public consultation. We would appreciate candid comments on the drafts from stakeholders. The final document will be issued in February 2021.

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. Programme for Identifying Human Rights Issues

In order to assist companies in implementing human rights due diligence, the Consortium conducts discussions on relationships between business activities and human rights. An overview of the past Workshops is explained below.

In the 2012 Workshop, sector specific human rights issues were identified based on UNEP FI Human Rights Guidance Tool². The final report “Human Rights Issues by Sector (2013)” was released.

In 2013, the Workshop further explored “Human Rights Issues by Sector (2013)” from the perspective of the value chain. It was very useful to identify human rights issues throughout the value chain, in order to understand what human rights issue may be arisen by the activities of different departments. 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 Report³ and they then identified 16 Global Risks which were considered to give the greatest influence on the sectors they belonged to. Then, they explored and identified the interconnectivities between global risks and human rights. This identification was useful for them to understand how social and environmental issues were dynamically interconnected, and to understand the particular contexts in which human rights issues arose. The final report “Human Rights Issues by Sector (v.3)” was issued.

In 2015, the participants examined the points which should be either added, removed or modified in “Human Rights Issues by Sector (v.2)” using the Human Rights Guidance Tool⁴ (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, examining and identifying sector specific human rights issues. The final report “Human Rights Issues by Sector (v.4)” was issued.

The other workshop was held to discuss how to facilitate food procurement in consideration for sustainability at the Tokyo Olympic and Paralympic Games, and issued a draft “Food Vision”⁵ for the 2020 Tokyo Olympics and Paralympics.

The 2016 Workshop addressed the relevance between the SDGs and human rights issues. The year of 2015

² <http://www.unepfi.org/humanrightstoolkit/fundamentals.php> (Accessed on Nov 10th, 2014).

³ http://www3.weforum.org/docs/WEF_GlobalRisks_Report_2014.pdf (Accessed on August, 08, 2014)

⁴ <http://www.unepfi.org/humanrightstoolkit/> (Accessed on July 10th, 2015)

⁵ <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Food%20Vision%20for%20the%20Tokyo%202020%20Olympic%20Games.pdf> (Accessed on August 8th, 2017)

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 Compass⁶ whilst considering the SDGs and the 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 issued.

In 2017, given the raised concerns from NGOs/NPOs, the participants reviewed the sector specific human rights issues formulated by the CSR Consortium as to whether there were any additions/deletions/correction points. 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.

In 2018, given the raised concerns from NGOs/NPOs, the participants reviewed the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points. As a feature of the working of 2018, NGOs/NPOs raised globally increasing concerns such as on 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 the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points. As a feature of the working of 2019, NGOs/NPOs raised globally increasing concerns such as AI and human rights, AI and privacy, relationships between climate change and

⁶ <http://sdgcompass.org/> (Accessed on August 15th, 2016)

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.

In 2020, given the raised concerns from NGOs/NPOs, the participants reviewed the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points. Due to the impact of Covid-19, this workshop, which was originally held from May to July, was postponed twice. In the end, we planned and implemented an online workshop using the Zoom system from August to November. At the beginning of the workshop, the secretariat and participants made some mistakes and were confused about how to operate the Zoom system. However, they accumulated know-how on Zoom methods as they experienced the workshop. In the half of the workshop, face-to-face meetings with adequate infection control measures were also incorporated, and the workshop was conducted in a hybrid format combining both online and face-to-face meetings. Many of the participants were working from home for infection control measures, and the workshop truly reflected the current work style.

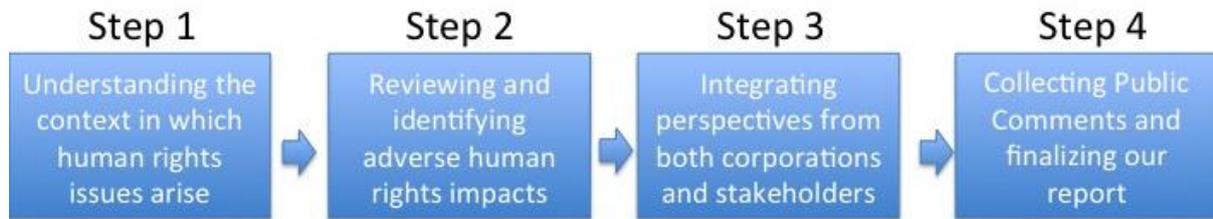
In 2021, as was the case last year, NGOs/NPOs and experts raised issues and, referring to the human rights guidance tool developed by the United Nations Environment Programme's Financial Initiative (developed in 2011 and revised in 2014), the Nippon CSR Consortium conducted a review of each sector to see if there were any additions, deletions or amendments to the "Human Rights Issues by Sector" formulated last year. Due to the impact of the Covid-19 since last year, the program was conducted in an online format using the Zoom system. Due to the state of emergency declared during the period (June to October), most of the participants were teleworking, and the programme reflected the work style of the Covid-19. Due to the teleworking environment, some participants came from Chubu, Kansai, Kyushu, Tohoku and the United States, broadening the scope of the programme.

This year's program covered ten themes, including human rights and environmental issues that need to be taken into account as the shift to renewable energy continues, the issue of forced labour in Xinjiang and Uyghur Autonomous Region, which is having a major impact on global supply chains, proposals from Generation Z who have risen to the occasion of climate change, and the hidden challenges of resource recycling.

As the outcomes of the workshop this year, "Human Rights Issues (Draft) by Sector" was formulated.

1-3. Procedure of the Workshop in 2021

The workshop consists of the following four steps.



Step1: Understanding the context in which human rights issues arise

- Corporate participants were given a lecture on the particular context in which human rights issues arise by members of NGOs/NPOs and subject experts. After the lecture, the participants from the company, NGO/NPO, and subject experts were separated by the given topics and discussed further.

Step2: Reviewing and identifying adverse human rights impacts arising from corporate activities

- The participants reviewed the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points, using the Human Rights Guidance Tool (2014 revision).

Step3: Integrating perspectives from both corporations and stakeholders

- The corporate participants summarised discussion contents and exchanged their views with NGOs/NPOs and subject experts. After receiving feedback from the NGOs/NPOs and subject experts, the corporate participants finalized their discussion contents by sector. The Secretariat then compiled their work and developed “Human Rights Issues by Sector (draft)”.

Step4: Collecting Public Comments and finalizing our report

The Secretariat invites public comments on this paper from 26th November 2021 – 26th December 2022.

1-4. Points for Consideration

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 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 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” is not discussed or in the scope of analysis.

2 Points for collecting Public Comments

We invite public comments on the following three points, 1-3. In the description of your comments, please specify the industry sector, page number, and concrete issue that your comment addresses, and the background and reason for your comments. You may use the Public Comments Sheet (Appendix 1) to submit your comments, if you prefer.

1. Please share any comments on the concept and procedure of this workshop.
2. Please freely respond with any comments on “Human Rights Issues by Sector (draft)”.
3. Comments on the format and procedure of the final report

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

The period 2020-2021 marks a major turning point for business and human rights.

Global trends

In March, the European Parliament adopted human rights and environmental due diligence legislation for companies in their own value chains. On 8 October, the UN Human Rights Council (48th session) adopted a resolution recognising the "right to live in a clean, healthy and sustainable environment" as a fundamental human right, and discussions on climate change as a human right continued at COP26 in November.

In the meantime, civil society has launched lawsuits against CO2 emitting companies in many parts of the world, and the oil giant Shell has been ordered by a Dutch district court to drastically reduce its CO2 emissions. The ruling, which made climate change a human rights issue, is forcing companies to incorporate the environment into their human rights due diligence. The ruling symbolises a global trend towards greater corporate due diligence. From the outset of this programme, we have highlighted environmental issues as relevant to human rights issues, and this year's case highlights this trend.

In addition, Generation Z has emerged as a new movement in civil society. The generation that has benefited from the current economic development, but has been left behind by the challenges of the past, is beginning to speak out and create a major movement with global links. We were joined by student representatives from Friday for The Future to listen to their concerns.

In Myanmar, where the military regime continues to rule after the February coup, civil society is questioning companies about indirect human rights abuses (promotion and involvement) by corporate activities linked to the state military. The issue of state-sponsored forced labour in China's Xinjiang and Uyghur autonomous regions and the global supply chains linked to it (agriculture, solar panels, clothing) came to the fore. As a result, it has led to the G7 Foreign Ministers' Meeting's "Forced Labour Elimination Statement" in October. In fact, a major Japanese apparel company had its imports stopped in the US in January for insufficient proof that its suppliers were not involved in forced labour.

Domestic Developments

In Japan, efforts on the Action Plan on Business and Human Rights (NAP) (October 2020) led to a move from the Ministry of Foreign Affairs to the Ministry of Justice and then to the Ministry of Economy, Trade and Industry. In July, the Ministry of Economy, Trade and Industry (METI) established the Business and Human Rights Policy Coordination Office. In August, the government conducted a large-scale survey of listed companies and other organizations on human rights issues in the supply chain, and in September, it published a collection of examples of corporate initiatives as an interim summary of the survey results. Based on the results of the survey, the government will now consider whether it is necessary to establish rules and laws requiring companies to take action. The second Kishida cabinet has stated that it will encourage the promotion of "human rights due diligence" to identify and prevent the risk of human rights

abuses by companies in their supply chains. Legislation requiring companies in Europe and the US to take such action is now in place, and there are concerns that if Japanese companies fail to take appropriate action, they could lose their international competitiveness.

In the context of this government trend, this initiative is based on the "Human Rights Due Diligence" initiative, which should be referred to, in the guidance on "Business and Human Rights: What Companies Need to Do Now" published by the Human Rights Protection Bureau of the Ministry of Justice in 2021, and the "Important Human Rights Issues by Sector (Draft)" published by the Nippon CSR Consortium. We are pleased to report that the Nippon CSR Consortium's "Important Human Rights Issues for Each Industry (Draft) in Japanese" (public comments to be made at the end of 2020) was cited as a case study that should be referred to, and has become a focus of attention.

Covid-19.

Vaccination has started in many countries and the worst is beginning to be over. However, challenges continue to mount, such as the loss of production capacity in global supply chains, the availability of labour for transport, the rise in resources since the economic recovery from Covid-19, and the new life with Corona. Severe working conditions have been identified under Covid-19, including new issues such as mental health due to teleworking, and the working conditions of those who cannot stop, represented by Essential Workers. These are directly linked to human rights issues.

The companies participating in this programme are continuously and sincerely addressing "Business and Human Rights". In the business environment surrounding the aforementioned corporate activities, companies have also begun to engage in human rights due diligence. However, the scope of investigation of human rights respecting entities (rights holders) is often limited to their own full-time employees. Although an increasing number of companies are carrying out human rights due diligence, including in the supply chain, the methods used to do so are mainly questionnaires confirming the CSR initiatives of their business partners, and do not approach the employees (frontline workers) who are the subjects of respect for human rights. Some companies were also considering conducting human rights due diligence using various certification schemes and social audits, but these do not guarantee meaningful engagement with rights holders and are not a substitute for human rights due diligence. Rather than ticking off human rights checkboxes in questionnaires, audits and the like, companies need to dynamically identify where, for whom and what human rights and environmental issues are occurring across their business relationships.

Few companies are able to visualise their supply chains and identify and engage with specific vulnerable rights holders.

As a result, there is a noticeable lag in the implementation of the Grievance Mechanism, which reaches rights holders directly. We see a continuing failure to change the paradigm, as companies seek answers to their problems by extending the whistleblowing systems already in operation. The Secretariat feels that there is a need to be aware of the difference in scope and stakeholders between whistleblowing systems,

which focus on compliance violations, and human rights issues that extend throughout the supply chain.

Finally, it should be noted that dialogue is the essence of human rights initiatives. In this Programme, human rights issues of concern are made visible from both civil society and business. As a next step, an important part of corporate efforts to address human rights issues is to engage in dialogue with those affected by human rights violations and the NGOs/NPOs that support them in order to raise awareness of the issues. The Programme's approach is to help companies take the first step towards carrying out human rights due diligence, and is a gateway to doing so. When there is a problem, companies should work with their stakeholders to use their expertise and strategy to address the issue and ensure legitimacy through accountability and transparency. By doing so, they will be able to obtain a license to operate from society and ensure the sustainability of their business. The question is how the corporate participants in this programme can integrate this approach into their corporate management and link it to their own human rights initiatives.

While the global economy aims for open markets, the reality is that its expanding supply chain creates a series of obvious and significant challenges to be solved. We are now faced with the challenge of shifting to a New Normal way of life, not "after Corona", but "with Corona". The answer lies not in extending conventional economic activity.

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4. “Human Rights Issues by Sector”

4.1 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"> •Risk that the minimum wage does not match the local standard of living, leading to long working hours. •Compensation for leave and wages in the event that a child is forced to take an extended leave of absence due to a sudden closure of preschool or school (Not guarantee a proper place to stay if the guardian cannot take leave.) •Risk of overwork due to production adjustments (priority on delivery) *While there is a request to increase production of daily necessities due to COVID-19, there is also a plan to drastically reduce production due to decreased demand. •Proper working hour management is not carried out. Separation of work and private life (self-reporting). •Appropriate compensation (wages) for labor is not paid. Not keeping track of hours worked → unable to pay •Wage disparity may affect the future education of children. 						✓	✓	✓	✓	✓	✓
		Health and safety	<ul style="list-style-type: none"> •Overtime and long working hours, especially in Japan. Excessive working hours for managers (middle management). •Inappropriate use of discretionary labor system and deemed management positions •Disparity in working conditions and wages among group companies. Equal pay for equal work. • Possibility of long working hours due to old production facilities. 											
	1) Workplace accidents resulting in death or serious injury, especially in research, manufacturing, and factory settings [creation/construction]. 2) Risk of health care problems, especially mental health problems due to long working hours. 4) Loss of educational opportunities for employees due to long working hours. 4) Risk of disparity in educational opportunities due to differences in employment status, nationality, race, gender, age, educational background, length of service. 2) Lack of communication due to remote work may lead to isolation and exclusion from the workplace. 1) Risk of workplace accidents while working from home (Risk of health hazards due to lack of safety considerations, different working environment, and disruption of daily rhythm) 3) Progression of illness due to lack of health checkups						✓							
Discrimination	During employment and work	Health and safety	<ul style="list-style-type: none"> 1) Living environment where minimum space is not secured, such as living in a dormitory with several people per room, and lack of sanitary facilities (showers, toilets, etc.) 1) Living environments that do not provide the minimum amount of space, such as dormitory living with only a few people per room, inadequate sanitary facilities (showers, toilets, etc.), dormitories located on factory grounds. Management with locks from the outside may adversely affect the health of employees. 3) Progression of occupational diseases due to lack of or non-use of protective equipment such as finger sacks, gloves, masks, ear plugs, etc. 1) Health and safety standards do not meet global standards (emergency exits, evacuation drills, etc.) 4) Treatment to foreign workers (especially in terms of safety and health guidance and awareness, language issues) 1) Ensuring the safety of employees and accompanying family members in COVID-19 endemic countries 1) Ensuring the safety of employees engaged in work (manufacturing sites) where telework is not allowed under COVID-19 (1) - (4) Possibility of infringement of children's healthy life due to parents' long working hours 						✓	✓	✓	✓	✓	✓
		Discrimination	<ul style="list-style-type: none"> •Risk of unequal treatment in terms of working conditions, training, and promotion •Discrimination against women and sexual minorities •Harassment (sexual harassment, power harassment, and remote work harassment) •Response to SOGI (sexual orientation and gender identity) (renovation of restrooms and changing rooms, some companies have stopped including gender on resumes) •Discrimination based on nationality, race, religion, etc. •Discrimination against non-vaccinated people (forced vaccination) •Discrimination against infected people •Discrimination against workers may lead to discrimination against their children 						✓	✓	✓	✓	✓	✓

Others	Relations with customers	Health and safety and protection of personal information	<ul style="list-style-type: none"> •The risk of harm to the life, health, or property of consumers due to defects in products or services provided to customers, inappropriate marketing activities, or failure to properly disclose information •Risk of infringement of individual human rights due to inappropriate management of personal information obtained in the business process •Inappropriate advertising and information dissemination may cause consumers to feel uncomfortable or have false perceptions, promote discrimination or prejudice, or cause health problems due to false perceptions. •Product services that do not take diversity into consideration may make it difficult for vulnerable groups to access them. 	✓		✓		✓	✓	✓
	Complicity	Unintended use or misuse	<ul style="list-style-type: none"> •Surveillance cameras may be used for forced labor facilities or for sexual damage such as voyeurism. •There is a risk of criminal use of social networking services. •There is a risk of illegal modification for conversion into weapons such as cars and drones, or for misuse. •Possibility of stalking by using IC tags. 						✓	
	Remedy	Development of Access to Remedy	<ul style="list-style-type: none"> •Human rights violations may not be corrected if the remedy contact points and processes are inadequate. •Inadequate monitoring by a third party may prevent the remedy process from being effective. •Reports may not be connected to the remedy process. •The whistleblower may not be protected. •Current functions may become ineffective •It is necessary to consider a remediation process that includes the supply chain, but this has not been done yet. •Lack of information dissemination (absolute lack of information, lack of multilingual support, business practice factors) may prevent recognition as a target of remedy. 	✓	✓	✓	✓	✓	✓	✓

4.2 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.

*A subcontractor/ onsite Subcontractor refers to an outsourcing company that provides various services such as manufacturing and logistics at each stage of the value chain (including staff who visits office/ plant on a regular basis)

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"> • Overtime is likely to occur due to orders received without consideration of resources and short delivery times associated with COVID-19. • Insufficient understanding of the degree of thoroughness of working hour management in accordance with the different working conditions in different countries and regions • If there is a gap between international norms and the laws of each country, there is a concern that following the laws of countries that allow longer working hours than international norms may lead to health hazards for workers. 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		Health and safety	<ul style="list-style-type: none"> • As a manufacturing company that uses hazardous substances (e.g., chemical substances) and large-scale equipment, there are relatively many sources of danger in the work environment. • Concerns that accidents during the transportation of hazardous substances may cause health hazards to those involved and to people living near the site. • Concerns about health hazards to the company's own employees and end consumers when suppliers do not provide sufficient information on chemical substances • In the case of outsourced safety and functionality testing, if the outsourced company does not have a strong sense of ethics, it could lead to human rights issues. • In the manufacturing industry (especially in plant operation), it is difficult to introduce telecommuting, and since many construction workers come and go, such as during regular maintenance, there is concern that inadequate measures against COVID-19 may affect safe and stable operations. 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		Disciplinary measures	<ul style="list-style-type: none"> • Concerns that national/regional practices for disciplinary actions vary widely and that disciplinary action policies have been developed that are not consistent with local practices (company) • Concerns that grievance mechanisms are not sufficiently in place to deal with disciplinary actions (company) • Country/regional practices for disciplinary actions differ greatly, making it difficult to ascertain the actual status of disciplinary actions at suppliers 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Wage	<ul style="list-style-type: none"> • Concerns at suppliers, contractors, etc. (1) Concerns that appropriate wages are not paid in line with working hours (2) Concerns that wages paid to foreign technical interns are not understood. 			✓	✓		✓	✓	✓	✓	✓	✓

Community	Resources	Use of natural resources (water and land)	<p>As a chemical company, we are working to reduce environmental impact and properly manage chemical substances, but we have identified the following as potential human rights issues.</p> <ul style="list-style-type: none"> • Concerns about inappropriate use and disposal by suppliers (customers) (e.g., marine plastics) • Because the industry uses a relatively large amount of resources and is likely to cause local pollution damage due to spills or exposure to pollutants, the impact on local communities is significant. • There is a risk of water depletion due to deforestation caused by factory construction and excessive consumption. • The promotion of conversion from fossil resources to non-fossil resources may lead to violation of indigenous peoples' rights such as forced incarceration of land and adverse effects on biodiversity due to deforestation, etc. Specifically, there are the following concerns <ol style="list-style-type: none"> 1) Concerns that the use of edible plants (corn, soybeans, etc.) as resources will indirectly cause price hikes and food shortages. 2) Concerns that the use of biodegradable plastics and biomass fuels made from oil palm will contribute to environmental destruction. 			レ	レ	レ				レ	
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> • In cases where land acquisition is necessary for the establishment of a factory or the acquisition of a sales license, bribes may be demanded, and the land acquisition may force the original residents to change their living environment. • If the company is involved in corruption, it may be ordered to pay a surcharge or suspend operations, or its reputation may be damaged, which may indirectly affect the employment of its employees (the company). 			レ	レ		レ		レ	レ	
	Relationship with countries with high human rights risks	Relationship with countries with high human rights risks	<p>Concerns about indirectly contributing to the occurrence of negative human rights impacts</p> <ol style="list-style-type: none"> 1) Obtaining permits, licenses, etc. and operating in countries with high human rights risks 2) Procurement from such state-sponsored enterprises (conflict minerals, timber, polysilicon, etc.) 		レ	レ	レ	レ	レ	レ	レ	レ	レ
Remedy			<ol style="list-style-type: none"> 1) Concerns that negative impacts on human rights cannot be ascertained due to the lack of establishment, maintenance, and dissemination of a grievance mechanism to a wide range of stakeholders related to the business. 2) Concerns about the inability to respond to the following issues in a timely and appropriate manner due to the wide range of value chains <ul style="list-style-type: none"> • Concerns that consultation systems and points of contact are not set up in consideration of local languages, reception hours, legal systems, cultures, etc. • Concerns about not being informed in advance of how to access the grievance mechanism and of the expected action and time frame • Concerns about the lack of visibility of the value chain • Concerns that information is not communicated and appropriate responses are not taken from the perspective of respect for human rights • Concerns about lack of dialogue and disclosure of inquiries 3) In consideration of the impact of COVID-19, consideration and response are also required for the following matters <ul style="list-style-type: none"> • Review of grievance mechanism methods (establishment of a grievance mechanism that can be handled remotely is required in addition to the establishment of a grievance mechanism that requires attendance at work (e.g., a suggestion box)) 	レ	レ	レ	レ	レ	レ	レ	レ	レ	レ

4.3 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
Own employees/suppliers	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. Overtime and long working hours, especially in Japan. Overwork of managers. 	✓	✓	✓	✓	✓	✓	✓	✓	
		Wages	<ul style="list-style-type: none"> Pressure of cost reduction from buyers may lead to non-compliance with minimum wages and living wages at suppliers. 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. [Emerging concerns due to COVID-19] Being forced to work remotely and losing a work-life balance may lead to long-hour work and overwork. Employees in occupation that would be difficult to work from home have to commute to work or store, which may increase stress against infection risk and psychological stress. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	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. Sufficient explanations, including language, may no be provided to foreign workers and foreign technical intern trainees. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Discrimination	Recruitment, training, promotion, and employment	<ul style="list-style-type: none"> Unequal recruitment/recruitment may be conducted based on disability, LGBTQ, BLM, religion, race, age and gender. Unequal treatment in opportunities for promotion, training and working conditions may be practiced based on disability, LGBTQ, BLM, religion, race, age and gender. Unequal treatment in use may be practiced based on disability, LGBTQ, BLM, religion, race, age and gender. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
Own employees/suppliers	Freedom of association	Freedom of association, right to collective bargaining	<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. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Grievance Mechanism	Effectiveness of the reporting point for employees	<ul style="list-style-type: none"> There is a risk that the grievance mechanism is not in place, or that it is in place but is not functioning (there is a risk that the reporting desk will become a mere formality due to insufficient protection of whistleblowers, lack of awareness of the scope of the target group and the content of the report). Inadequate multilingual support and inability to identify human rights abuses among vulnerable groups. Lack of expertise in dealing with LGBTQ issues, which could lead to human rights abuses being left unattended or could cause secondary damage. 	✓	✓	✓	✓	✓	✓	✓	✓	✓

Investors	Relationship with investors	Disclosure of non-financial information (human rights)	<ul style="list-style-type: none"> Lack of adequate human rights due diligence and disclosure may lead to reputational risk 	✓	✓	✓	✓	✓	✓	✓	✓
Consumers	Relationship with Consumers	Health and safety	<ul style="list-style-type: none"> The risk of inadequate measures to improve the quality and safety of products and to reduce risks to consumers. 	✓	✓	✓	✓	✓	✓	✓	✓
			<ul style="list-style-type: none"> Inadequate communication of correct information may lead to inappropriate use of products, to the detriment of both consumers and manufacturers. 	✓				✓	✓	✓	
			<ul style="list-style-type: none"> Insufficient traceability of materials and products may cause disadvantages to both consumers and manufacturers. 	✓	✓	✓	✓	✓	✓	✓	
			<ul style="list-style-type: none"> The risk of insufficient resolution of consumer issues through innovation. 	✓						✓	
		Privacy	<ul style="list-style-type: none"> There is a risk that personal information such as customer records, monitor data, surveillance cameras, purchasing behavior, privacy information contained in cookies, and shipping addresses may be leaked, mismanaged, processed, transferred, or used inappropriately. 	✓			✓	✓	✓	✓	
		Respect for the individual	<ul style="list-style-type: none"> Advertising and sales activities may promote stereotypes of uniform beauty, gender, generation, etc. There is a risk that the use of AI, etc. may cause the provision of algorithms and information that may promote consumer misperceptions and stereotypes. 	✓					✓	✓	✓
		Children's health and safety	<ul style="list-style-type: none"> Possibility of violating children's rights, interfering with their healthy development, or threatening their safety and health. There is a risk of not ensuring equal access to products that meet the needs of children according to their growth characteristics. 						✓	✓	✓
		Harassment and discrimination	<ul style="list-style-type: none"> Risk of evoking discrimination or bullying, and giving the impression that it is condoned or encouraged. Possibility of causing disadvantages in use due to differences in gender, age, race, religion, LGBTQ, disability, BLM, etc. 						✓	✓	✓
		Sustainable society	<ul style="list-style-type: none"> Risk of environmental impact due to disposal of plastic products, containers, and packaging. 	✓	✓	✓	✓		✓	✓	✓
Ethical advertising and marketing	<ul style="list-style-type: none"> Risk of human rights violations without prior confirmation that advertising marketing does not induce discrimination and harassment. Risk of recurrence of human rights violations due to advertising and marketing without applying the lessons learned to future business activities when such violations occur 						✓	✓	✓		
Monitoring and assessment	<ul style="list-style-type: none"> Failure to actively identify human rights violations through advertising and marketing (e.g., through SNS monitoring) and neglect/recurrence of human rights violations 						✓	✓	✓		
Assessment, redress, and grievance mechanisms			<ul style="list-style-type: none"> Inadequate human rights assessment may lead to neglect of human rights risks in the supply chain, etc. Grievance mechanisms may not be in place, or may be in place but not functioning. 	✗	✗	✗	✗	✗	✗	✗	✗

4.4 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	<ul style="list-style-type: none"> Long working hours may occur in all operations, including the company's own and subcontractor's manufacturing plants (business partners) and logistics drivers. Restrictive labor may occur in order to meet deadlines during periods of concentrated production, such as seasonal products. Excessive work may occur due to the pressure to increase production under the influence of special temporary demand, and while telework has increased due to changes in work styles, there is a risk of problems with working hour management (service overtime). The impact of COVID-19 may lead to a significant reduction in working hours and a decrease in wages. Long working hours may affect employees' families. Shortage of personnel and increased workload due to spread of infection Chronic overtime due to staffing based on the assumption of overtime work 	✓	✓	✓	✓	✓	✓	✓	
		Wages	global	<ul style="list-style-type: none"> Wage levels may not in line with local living standards. Wage levels may not match local living standards. By effectively communicating corporate efforts globally in consideration of fair trade and other factors, companies can increase consumer confidence and the value of the company, and pay workers a fair wage. The wages of foreign workers may not meet the minimum standard of living or that they do not have adequate housing. Ensure that wages are commensurate with working hours (compliance with laws and regulations in each country) Wages may not guaranteed due to factory shutdowns and lockdowns caused by COVID-19 	✓	✓	✓	✓	✓	✓	✓
			Japan	<ul style="list-style-type: none"> Wage differences by employment status despite equal work content (due to COVID-19) Wages are below the standard of living. Unfairly low wages, suspension of employment, and other disadvantageous treatment of foreign workers and technical interns Unfavorable treatment such as unfairly low wages and suspension of employment is given to dispatched workers even among Japanese. Unreasonable deductions from wages (e.g. bathroom usage fees) that are not specified in advance and are not stated in pay slip 							
	Health and safety	global	<ul style="list-style-type: none"> The health and safety of employees/workers may be threatened by hazardous work in product manufacturing (including procurement of raw materials) and research and development processes, handling of chemical substances including agricultural chemicals, inadequate response to occupational accidents, and overwork (also from the perspective of employees = physically challenged persons). In order to reduce risks, it is necessary to respond to various cultures and diversity, such as color barrier-free (consideration of color use), door opening/closing direction, language indication for foreign workers, and use of assistive devices to cope with heavy muscle work. There is a need to respond to various cultural and diversity issues. Insufficient support for foreign workers to receive medical care. Inadequate support for foreign workers in terms of food, clothing, and housing Inadequate support for foreign workers in terms of mental health Insufficient prevention of infection in the workplace (not only COVID-19, but also other diseases and infectious diseases) Inadequate infection prevention measures for children, fear of parents abusing or neglecting their children due to COVID-19 Failure to ensure that all employees receive a thorough medical checkup, and lack of corporate action based on the results Insufficient physical space for employees to relax. Inadequate physical space to provide mental relaxation 	✓	✓	✓	✓	✓	✓	✓	
	Disciplinary action	global	<ul style="list-style-type: none"> Insufficient compliance with the implementation of punishments for harassment offenders Inadequate awareness of laws, regulations and employment rules within the company, and inadequate implementation of appropriate punishment 	✓	✓	✓	✓	✓	✓	✓	✓
	Discrimination	Employment	global	<ul style="list-style-type: none"> There is a risk of discrimination in hiring based on race, gender, religion, region, LGBTQ, SOGI, disability, ethnicity, creed, medical history (HIV, etc.), caregiving, fertility, childcare, etc. There is a risk that debts to sending institutions, such as recruitment fees and payments to foreign language institutions, put workers in effect debt work. There is also the problem of domestic companies hiring without being aware of the background. The risk of working under inappropriate conditions, because working conditions are not presented in a language that the foreign worker understands at the time of hiring. 	✓	✓	✓	✓	✓	✓	✓

Core operation / Supply chain	Discrimination	During work	global	<ul style="list-style-type: none"> Workers (including foreign employees, people with disabilities, and temporary employees) may receive inadequate safety training and unequal treatment. Workers may be forced into precarious forms of employment. Discrimination based on employment status (ex,lack of training opportunities, not being allowed to participate in meetings) Harassment (sexual harassment/power harassment/maternal harassment/SOGI harassment, etc.) from/to business partners Insufficient working environment for people with disabilities Lack of LGBTQ-friendly facilities (toilets, changing rooms, etc.) Incidence of invisible harassment due to increased telework Discrimination against foreign workers and expatriates or work due to the emergency status of COVID-19 vaccination system. 	✓	✓	✓	✓	✓	✓
		During work	Japan	<ul style="list-style-type: none"> There is a need for multilingual and multi-religious manuals and consideration for the working environment, and there is a risk of discrimination due to differences in nationality and religion. Discrimination and harassment against foreign technical interns by host companies. 	✓	✓	✓	✓	✓	✓
	Discrimination	Assessment, Treatment, Dismissal	global	<ul style="list-style-type: none"> Risk of discrimination in evaluation and treatment based on race, gender, religion, region, LGBTQ, SOGI, disability, ethnicity, creed, medical history (HIV, etc.), nursing care, fertility treatment, childcare. It is necessary to support foreign workers and their families in their daily lives and prevent them from being isolated in local communities. Appropriate promotion and salary increases for foreign workers according to their evaluations, equally and fairly including Japanese workers. The decrease in demand for COVID-19 has led to unfair dismissal of those in vulnerable positions under labor contracts, such as non-regular employees. Forced high-risk work to those in weaker labor positions. Wages are not guaranteed in the event of factory shutdown due to COVID-19 disasters. Discrepancies between the content of contracts and the treatment of employees (including technical interns) 	✓	✓	✓	✓	✓	✓
			Japan	<ul style="list-style-type: none"> The number of female managers is low. Barrier-free accessibility is lagging. The job satisfaction of people with disabilities may be undermining. Appropriate implementation of promotion and salary increase for foreign technical interns according to their evaluation. Lack of communication creates isolation, and there is no evaluation or treatment that makes work worthwhile. Appropriate evaluation is not conducted due to seniority-based evaluation. There is a difference in the treatment of new graduates and mid-career hires. Lack of consideration for male employees when expanding the system for female employees. Lack of consideration for male employees and others when expanding the system for female employees Unfair evaluation and treatment (evaluation based on personal likes/dislikes, regardless of results) 						
	Child labour (elementary students)		global	<ul style="list-style-type: none"> The risk of child labor under the minimum working age, and the risk of identity theft Children may lose their right to education and suffer physical and mental damage. Increase in child labor due to the increase in the number of poor people caused by the widening gap in the COVID-19 Need for check whether there is child labor in upstream suppliers (secondary and tertiary), especially in developing countries. Child labor in family business environment Late night work for child celebrities in commercial shoots in Japan 	✓	✓	✓	✓	✓	✓
	Employment under 18 years of age		global	<ul style="list-style-type: none"> Working at night, engaging in hazardous labor, and forging IDs 	✓	✓	✓	✓	✓	✓
	Forced or compulsory labour		global	<ul style="list-style-type: none"> The possibility of forced labor for migrant workers The risk of inhumane treatment of illegal immigrants. Slave labor in agriculture, forestry, and fishery procurement processes (working environment at fishery operation sites) The possibility of being forced to work long hours due to excessive demands from business partners. The presence or absence of a labor contract and preparation of the contract in the native language Check whether there is overwork at upstream suppliers (secondary and tertiary), especially in developing countries. 		✓	✓	✓	✓	✓
		Japan	<ul style="list-style-type: none"> Exploitation of technical trainees (e.g., taking away their passports), engaging in hazardous labor, etc. Slave labor in agriculture, forestry, and fisheries procurement processes (working environment at domestic livestock farming sites) Forced savings at the time of contracting (the employer keeps the bank book and seal) Support for technical intern trainees who have difficulty returning home in COVID-19 							

	Freedom of association and collective	Conflict with local law	global	<ul style="list-style-type: none"> Freedom of association and the right to collective bargaining (in accordance with international law) may not be ensured in countries where unions are not permitted, or where they are permitted but not applied in practice. 	✓	✓	✓	✓	✓	✓	✓
	Access to Remedy		global	<ul style="list-style-type: none"> It is necessary to have a customer service center that can be used as a point of remedy in the value chain. It is also necessary to have a customer service center for consumers, and multilingual and 24-hour support for printing. 	✓	✓	✓	✓	✓	✓	✓
	Protection of Privacy		Japan	<ul style="list-style-type: none"> There is a risk of invasion of privacy, such as the use of data from surveillance cameras for food defense. Appropriate management of personal information 	✓	✓	✓	✓	✓	✓	✓
Community	Resources	Use of natural resources	global	<p>Large-scale agriculture, fishing, and forestry industries from which raw materials are sourced may cause communities to face declines in production and fish catches.</p> <p>Impacts on the livelihoods and traditions of local and indigenous peoples, local ecosystems (e.g., air and soil pollution, pollution from waste and plastic debris), and access to water</p> <ul style="list-style-type: none"> Loss of food self-sufficiency due to monoculture (conversion to cash crops) Development, design, distribution, and marketing of products with high environmental impact (high electricity consumption, difficult to recycle) The development, design, distribution, and marketing of products with a high environmental impact (high electricity consumption, difficulty in recycling) may lead to excessive extraction of resources (upstream supply chain). The cessation of plastic waste due to containers and packaging that are difficult for consumers to sort and recycle. 	✓	✓	✓	✓	✓	✓	✓
		Climate change	global	<ul style="list-style-type: none"> Decrease in crop yields due to global warming Natural disasters caused by climate change affects the living area. Business shutdown due to drought may affect employment 	✓	✓	✓	✓	✓	✓	✓
	Impact on community		global	<ul style="list-style-type: none"> Negative impact on local community lifelines due to pollution (noise, vibration, odor, waste, etc.) caused by construction and operation Violation of access to shelter in case of disaster Poverty triggered by price hikes 		✓	✓	✓	✓	✓	✓
	Access to land	Title to land	oversea	<ul style="list-style-type: none"> The rights of local residents and indigenous groups arising from the enclosure of land may be ignored when constructing fields and other arable land, aquaculture ponds, factories and manufacturing facilities, waste disposal sites, etc. 		✓	✓				✓
	Investment to community		global	<ul style="list-style-type: none"> Withdrawal or cessation of business by local factories or projects may lead to a decline in employment in the surrounding areas and a decline in the local economy. 	✓	✓	✓	✓	✓	✓	✓
	Access to remedy		global	<ul style="list-style-type: none"> It is necessary to consider not only the employee's time, but also the worker's home environment and family life. 	✓	✓	✓	✓	✓	✓	✓

Society and government	Relations with society and 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. 		✓	✓	✓	✓	✓	✓
	Relations with governments and companies with low awareness of human rights		global	<ul style="list-style-type: none"> Human rights abuses such as human trafficking due to collusion between the sending organization and the government of the country Entering, operating, or procuring goods and services in countries where laws and regulations concerning occupational safety are not in place Risk of complicity in human rights abuses when conducting business in countries or regions where there is a gap between local laws and customs and international standards. In countries with good control over information management, even third-party audits may be influenced by the authorities and may be far from the actual situation. Binding by contract may also be meaningless. 		✓	✓	✓	✓	✓	✓
Health and safety	Provision of proper information	Quality control	global	<ul style="list-style-type: none"> Inappropriate labeling (e.g., ingredients, misidentification of good quality, etc.) may cause health problems or religious problems for consumers. Inappropriate marketing may lead consumers (especially minors and the elderly) to misguided eating behavior (occurrence of health problems due to excessive intake of specific ingredients) Possibility of health hazards due to failure to warn 	✓	✓	✓	✓	✓	✓	✓
			global	<ul style="list-style-type: none"> Inadequate quality control (storage conditions, hygiene control, process control, transportation control, etc.) and hygiene education and training for employees, which may be harmful to the health of consumers Inadequate countermeasures (food defense) against intentional quality problems Insufficient measures to prevent intentional quality problems (food defense) 	✓	✓	✓	✓	✓	✓	✓
	Jpan	<ul style="list-style-type: none"> Excessive quality control (e.g., zero shortages) may result in a large amount of food loss. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
Consumer	Privacy Protection	Responsible disposal	global	<ul style="list-style-type: none"> Failure to properly dispose of waste (food residues, waste plastics, etc.) may result in environmental degradation. Occurrence of child labor and forced labor in waste treatment operations Food loss due to lack of awareness among consumers Possibility of expired food being exported to third countries and causing health hazards 	✓	✓	✓	✓	✓	✓	✓
			Global	<ul style="list-style-type: none"> Inappropriate advertising (TV, newspapers, magazines, Internet, billboards, etc.), campaigns (title, selection of prizes, target audience, etc.), product packaging, etc. that may encourage discrimination Possibility of violating children's rights, instilling stereotypes, or reproducing bias 	✓	✓	✓	✓	✓	✓	✓
	Discrimination	Appropriate collection of information	global	<ul style="list-style-type: none"> Lack of consideration for human rights when collecting marketing information, such as questionnaires, gives the impression of discrimination against minorities. 	✓	✓	✓	✓	✓	✓	✓
Protection of Privacy			Global	<ul style="list-style-type: none"> Leakage, storage management, information processing management, and information transfer management of personal information obtained through consumer campaigns, mail-order sales, and membership registration (also considering contractors) 				✓	✓	✓	✓

4.5 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 local 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) for non-permanent employees (including foreign workers) and foreign technical intern trainees 	✓	✓	✓	✓	✓	✓	✓
		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 insufficient occupational safety and health (defective protective equipment, insufficient education, etc.) Incomplete SDS may jeopardize health and safety of employees and transport workers. Description of instructions, signs and others may not be correctly understood by all the workers, which may jeopardize health and safety. Health and mental damage may occur due to long working hours and social isolation. 	✓	✓	✓	✓	✓	✓	✓
		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. 	✓	✓	✓	✓	✓	✓	✓
		Excessive monitoring	<ul style="list-style-type: none"> Excessive monitoring of employees and control of their working conditions. 	✓	✓	✓	✓	✓	✓	
	Discrimination	Employment	<ul style="list-style-type: none"> Discrimination may occur based on characteristic or attribute such as birthplace, nationality, sex, SOGI, age, race, belief, religion, and presence of disease. 	✓	✓	✓	✓	✓	✓	✓
		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, birthplace, nationality, age, race, religion, SOGI, presence of disease. Unstable employment form may be forced. 	✓	✓	✓	✓	✓	✓	✓
		Redundancy and dismissal	<ul style="list-style-type: none"> Organized dismissal may occur based on race, sex, SOGI, age, belief, religion, presence of disease. 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 under the age of 18 are hired. <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, non-permanent workers including foreign workers, 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	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	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 not applied in practice even if recognized. 	✓	✓	✓	✓	✓	✓	✓	✓
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. • Abuse of water and land in factories and local construction sites. • Forced eviction due to new construction of factories, etc. 	✓			✓	✓		✓	✓	
	Local residence	Right of residence	<ul style="list-style-type: none"> • Effects on local communities due to inadequate disaster prevention measures at factories, offices, 	✓	✓		✓	✓	✓		✓	
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	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 (including researchers)	<ul style="list-style-type: none"> • Falsified data on research, 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	• Appropriate remedy may not be provided due to insufficient or undeveloped systems.	✓	✓	✓	✓	✓	✓			✓
Consumers	Relations with patients	Health and safety	• Inadequate efforts to combat counterfeit medicines.				✓	✓			✓	✓
			• Risk of health hazards due to abuse and misuse.					✓			✓	
			• Risk of health hazards due to delayed reporting of adverse drug reactions.						✓	✓		
			• Injuries due to product defects or accidents during handling (including doctors, nurses,							✓	✓	✓
			• Risk of using investigational or therapeutic drugs on patients without sufficient prior explanation.		✓					✓	✓	
			• Risk of health damage to patients due to side effects of medication or incorrect medication.								✓	
			• Damage to the environment and human health due to inappropriate disposal of unused medicines and used medicines by patients (in the U.S. and other countries, flushing medicines down the toilet is considered a problem).								✓	✓
			• Risk of taking inappropriate prescription and treatment due to exaggerated PR of product							✓	✓	
			• Risk of not being able to provide medicines in a timely and appropriate manner due to depopulation of the region and reduced access to healthcare caused by changes in the supply-demand balance.		✓		✓			✓	✓	
		• Risk that the drug are not approved and marketed in the country in question, despite clinical trials, and are not reach patients.							✓	✓		
		• Risk of being forced to take vaccinations, and the risk of human rights violations by not taking vaccinations.	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Response to rare diseases	• Medicines may not be approved and sold to patients in a certain country despite conducting clinical trials.	✓							✓		
Others	Public health	Actions to pandemic	• New pandemic virus may endanger lives of people and deteriorate the public health of	✓	✓	✓	✓	✓	✓	✓		
			• Social unrest and security deterioration caused by pandemic may hinder business activities and make it difficult for drugs to be supplied.				✓	✓	✓	✓		
			• Production of therapeutic products may be delayed due to manufacturing efficiency when pandemics occur.				✓	✓	✓	✓		
			• Inappropriate use of antimicrobial agents may lead to an increase in infections caused by AMR (Antimicrobial Resistance) bacteria that are ineffective against existing antimicrobial agents, leading to deterioration of public health and endangering human life.								✓	✓
	Personal information	Management of health information of individuals	• The risk that personal information, including personal health records (including genetic information), may be leaked or misused to identify individuals or violate their privacy. • There is a risk that personal information obtained in the course of business by healthcare professionals, patients, and employees may be leaked to a scope beyond the permission of the	✓	✓	✓	✓	✓	✓		✓	

4.6 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	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.					
			<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. • Working remotely may make it difficult to maintain work-life balance • From the aspect of having a certain public interest, overwork and long working hours may occur due to the demand for nesting in the Covid-19 and traffic restrictions during the Olympics. 	✓	✓	✓	✓	✓
		Low wages	<ul style="list-style-type: none"> • Low wages may not meet the living standard for workers and their families. • Working hours may get longer due to expansion of mail-order markets, wages per unit of time may decrease. • The pandemic affected distribution volume and overall business volume, resulting in failure to obtain stable income. • If performance increases under Covid-19, employees may lose motivation because their wages are not commensurate with their efforts and they are not rewarded with special compensation, etc. 	✓	✓	✓	✓	✓
		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.						
		<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. 						
		Health and safety	<p>[shipping business]</p> <ul style="list-style-type: none"> • Due to the highly public nature of the business, there is a risk of secondary damage from industrial accidents in the event of a disaster. • Risk of mental health problems due to long working hours • Threats to health and safety, child labor and forced labor in the company's supply chain (in addition to employees) • Risk of increased mental health problems due to telecommuting (signs are not easily visible to others) • The risk of infection due to inadequate countermeasures against infectious diseases, including Covid-19, in workplaces where telecommuting is difficult. • There is a risk of health hazards due to a shortage of fresh food stock if the ship is unexpectedly delayed for a long time due to the Covid-19 or if the voyage continues. • As passenger demand slows due to the corona disaster and the number of employees being transferred outside the company expands as a measure to maintain employment, changes in the working environment could lead to mental health problems among employees and a decline in their motivation. 		✓	✓	✓	✓

Core operation/ Supply chain	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. (They are more likely to experience such unequal treatments under these uncertain times) • There may be uniform treatment to workers without due concern for diversity (SOGI). • Discrimination against people who tested positive for COVID-19. • Employment environment and treatment of senior workers (through employment extension and retirement age extension systems)(problems with senior drivers) • Prejudice and discrimination against unvaccinated employees may occur. 	✓	✓	✓	✓	✓
	Foreign Workers	Employment Environment and Conditions	<p>(Domestic)</p> <ul style="list-style-type: none"> • There is a risk that foreign nationals employed under the technical internship system will be subjected to unfair treatment (forced long working hours, unpaid wages, unfair deductions from salaries, etc.). • Discrimination in hiring foreign technical interns based on whether or not they have been vaccinated (e.g., forcing them to be vaccinated in the workplace, giving priority to those who have been vaccinated). <p>(Overseas)</p> <ul style="list-style-type: none"> • There is a risk of human rights abuses such as child labor and forced labor occurring at business partners in overseas supply chains. • There is a risk of non-payment of wages for work performed prior to regular employment. 		✓		✓	
Community	Resources	Use of natural resources	<p>In addition to fossil fuels, diversification of energy sources makes a progress including non-conventional natural gas resources and power generation by natural energy.</p> <ul style="list-style-type: none"> • 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] • The use of SAF fuel (aviation biofuel), which is positioned as a renewable alternative aviation fuel, may result in passengers having to bear the relatively high cost of such fuel. • Measures to reduce emissions of sulfur oxides, nitrogen oxides, etc. by switching fuels or installing scrubbers on ships in operation in accordance with Sox and Nox regulations [Shipping]. 		✓		✓	
		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). • In addition to the shortage of human resources in the domestic labor market, there is a risk that cargo stopped due to the dockers' strike may affect customers or the supply chain. • Airport handling operations for foreign flights, which are expected to increase further in the future, will have to be handled in a short period of time due to the demand from the government. In addition to the shortage of human resources in the domestic labor market, if it becomes difficult to hire foreign workers, it may become difficult to maintain air traffic operations [Aviation industry]. 	✓	✓		✓	
	Security		<ul style="list-style-type: none"> • Accidents may cause an adverse effect 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). • Risk of contamination of foreign substances in foods and products passed on to general consumers at food factories and food warehouses (Food Defense [Food Warehousing and Food Logistics]) 		✓		✓	

Community	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) 	✓		✓	✓	
	Customers	Transportation	<ul style="list-style-type: none"> • Unnecessary stresses may be caused when various customers use public transportation [Airline] • Risk of leakage of personal information / privacy customers provide to us • Customers' risk of getting infected with the coronavirus • The introduction of the Vaccine Passport may restrict services. 			✓	✓	
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	Human trafficking	<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] 		✓	✓	✓	
	Digitization		<ul style="list-style-type: none"> • Technological evolution (AI, IoT, etc.) may cause unforeseen privacy / human rights issues, and cyber terrorism. • Digital divide (Who can and can not benefit from digitalization) • Introduction of AI in the transportation flow, elimination of manpower shortage and human error by IT, and possible reduction of crew. 	✓	✓	✓	✓	✓
	Access to remedy		<ul style="list-style-type: none"> • Remedy may not be provided if human rights issues in general occur 	✓	✓	✓	✓	✓

Apparel (clothing)

Creation: Research, development, design, and design

Purchase: Construction of facilities, procurement (fabrics, sub-materials)

Manufacturing: Production, manufacturing (sewing)

Transportation: Storage, logistics

Sales: Sales, marketing, retailing

Use: Consumption, utilization, maintenance, packaging (wrapping)

Disposal: Disposal, recycling, waste plastic

Key human rights issues in apparel sector		Concrete issues	Value chain							
			Creation	Purchase	Manufacturing	Transport	Sales	Use	Discard	
Business / Supply Chain	Treatment in the workplace	Working hours	<ul style="list-style-type: none"> • There is a risk of long working hours due to (a) a production plan that incorporates overtime work or a situation where the sewing site absorbs delays in the upstream plan, (b) a wage level that does not match the local standard of living, (c) a piece-rate wage system, or (d) factory reasons such as a large volume of defective or reworked products. • Due to inappropriate work management, there is a risk that the legally stipulated days off will not be granted or that overtime limits will not be observed. • Labor standards violations may be occurring due to lack of understanding of technical intern trainees' actual work conditions (Japan) • The possibility of insufficient support for technical intern trainees due to lack of support in the local language (Japan) • Overtime work, overwork by managers, and overwork by deemed managers (Japan) • Overwork due to telework (Japan) 	✓	✓	✓	✓	✓		
		Wages	<ul style="list-style-type: none"> • Pressure from buyers to reduce costs may result in non-compliance with the minimum wage. • In some countries, the minimum wage is revised frequently, and there is a risk that the minimum wage will not be complied with. • Inadequate compliance with laws and regulations or inadequate work management that may result in inappropriate compensation for overtime work • Risk of not being paid fair remuneration based on productivity • The issue of equal pay for equal work by regular and irregular workers (salesperson) 	✓	✓	✓	✓	✓		
		Health and Safety	<ul style="list-style-type: none"> • There is a risk that safety and health training, including disaster prevention training, first aid training, and handling of hazardous chemicals, will not be thoroughly implemented. • There is a risk that health hazards may occur due to lack of measures to deal with work environments that are harmful to health (noise, vibration, illumination, room temperature, ventilation, local exhaust, etc.). • Risk of causing pregnant women, young women, and others to engage in dangerous or harmful work • Personal protective equipment (PPE) is not provided in dangerous or hazardous workplaces, and appropriate education and training is not provided, which may cause harm to workers. • Machinery and equipment that are required to be inspected are not inspected, and there is a risk of harm to workers. • Risk of harm to workers due to inadequate safety and protective devices in machinery and equipment. • Aging buildings, illegal construction, emergency exits, evacuation routes, etc. are in illegal conditions and may cause harm to workers. • Risk of accidents or health hazards due to improper storage of chemical substances • Risk of mental health problems (risk of mental health problems) such as anxiety and stress about infection among production workers who cannot telework (Japan) • Leakage of personal information may cause psychological problems due to invasion of privacy. 	✓	✓	✓	✓	✓		

Business / Supply Chain		Disciplinary measures	<ul style="list-style-type: none"> • Risk of unfair discipline or treatment due to inappropriate work rules • The risk of unfair contracts being entered into with non-regular employees without proper explanation (e.g. unfair dismissal) 	✓	✓	✓	✓	✓		
	Discrimination	When hired At Work Diversity	<ul style="list-style-type: none"> • Possibility of unequal recruitment and hiring with restrictions on nationality, race, religion, gender and age. • Possibility of unequal treatment in terms of working conditions, training and promotion opportunities because of gender and age (disrespect for women). • Possibility of harassment with disregard for diversity • Possibility of unequal treatment for LGBTQ people • Risk of discrimination in recruitment due to disability or illness • Risk of privacy breaches and discrimination in recruitment due to personal data leaks 	✓	✓	✓	✓	✓		
	Child Labour	Minimum age	<ul style="list-style-type: none"> • The risk of child labour being carried out under the minimum age without checking identification or on the basis of forged identification. • There is a risk that children may be working in supply chains (e.g. subcontracting) in developing countries and that brokers may be recruiting children. 	✓	✓	✓	✓	✓		
	Forced Labour	Forced overtime Human trafficking	<ul style="list-style-type: none"> • There is a risk of being forced to engage in compulsory overtime work. • Workers may be forced to work under working conditions that they have not agreed to because the labour contract (employment contract) is not clearly stated in writing. • In Japan, there is a risk of restricting the free movement of technical intern trainees by depositing their passports, alien registration cards and residence cards and by compulsory savings. • There is a risk that migrants and refugees are forced into forced labour overseas, taking advantage of their vulnerable position (especially in Tier 2 and above, where the reality of forced labour may be hidden). 	✓	✓	✓	✓			
Business / Supply Chain	Freedom of association	Freedom of association and collective bargaining	<ul style="list-style-type: none"> • Refusal to form a trade union, refusal to bargain collectively without just cause, detrimental treatment of union members or threat of dismissal • The threat of dismissal on the grounds of strike action. • There is a risk that labour-management consultations and collective bargaining are not sufficiently institutionalised and managed (i.e. have become a formality). In addition, although the right to collective bargaining is recognised, there is a risk that negotiations are not actually taking place (particularly at overseas production plants). 	✓	✓	✓	✓	✓		
Community	Resources	Global warming	<ul style="list-style-type: none"> • Efficient use of energy and removal of CO2 (climate change) • CO2 emissions due to excessive electricity consumption in production plants and sales outlets • The problem of CO2 emissions from unaccountable (unplanned) mass production and mass disposal 	✓	✓	✓	✓	✓	✓	✓
		Water stress	<ul style="list-style-type: none"> • The use of large quantities of water and the pollution of rivers by toxic chemicals in tanneries, dyeing and plating plants, etc., may have a negative impact on the health of nearby residents and on the local environment. 	✓	✓	✓				
			<ul style="list-style-type: none"> • Large amounts of water used in the production of raw materials (cotton, cattle, natural rubber) leading to water depletion and possible water pollution. 	✓	✓					
		Biodiversity conservation	<ul style="list-style-type: none"> • The production of wooden products (paper materials) may have a negative impact on the conservation of forest ecosystems. • Microplastics generated by washing synthetic fabric products may lead to marine pollution. • Materials sourced through untraceable routes may lead to environmental and soil pollution (e.g. organic cotton, wool). 	✓	✓	✓	✓	✓	✓	✓
		Depletion of natural resources	<ul style="list-style-type: none"> • Depletion of natural resources with limits, such as oil and gas • Innovative and efficient product design 	✓	✓	✓	✓	✓	✓	✓
			<ul style="list-style-type: none"> • Wasteful product design can lead to the generation of large amounts of waste during fabric cutting, which can lead to the depletion of limited resources. 	✓	✓	✓				
	Waste management	<ul style="list-style-type: none"> • Risk of illegal dumping of waste due to neglect or failure to use appropriate contractors. • Failure to reduce waste could have a negative impact on the environment. 	✓	✓	✓	✓	✓	✓	✓	

Community		Indigenous rights	<ul style="list-style-type: none"> Threats to the livelihoods of people living in countries where pulp is sourced (e.g. evictions, violence) In developing countries where laws and regulations are not yet in place, though there is compliance with local laws, there is a risk of causing local environmental pollution and health hazards to the population. 	✓	✓	✓	✓				
	Discrimination	Diversity	<ul style="list-style-type: none"> The risk of discrimination (unconscious bias/LGBTQ etc.) through inappropriate expressions in advertising and other media. 	✓	✓	✓	✓				
Consumer issues	Relationships with consumers	Health and Safety	<ul style="list-style-type: none"> Changing consumer attitudes and fostering the Ethical Market, a positive way to promote Fairtrade The system of circular economy (e.g. recyclable materials) has not been established due to insufficient efforts to raise consumer awareness of recycling. 	✓	✓	✓	✓	✓	✓	✓	✓
			<ul style="list-style-type: none"> Improving the quality of products and their safety and reducing the risks to consumers Health hazards due to inclusion of hazardous substances in final products Health risks to consumers due to battery failure, wearable devices, fires in the use of new materials, etc. 	✓	✓	✓	✓	✓	✓	✓	
			<ul style="list-style-type: none"> Improved traceability of materials and products 	✓	✓	✓	✓	✓	✓		
			<ul style="list-style-type: none"> Lack of exercise and its effects 	✓	✓	✓	✓	✓	✓		
			<ul style="list-style-type: none"> Risk of invasion of privacy and discrimination due to personal data leakage 	✓	✓	✓	✓	✓			
		Consideration with diver	<ul style="list-style-type: none"> Insufficient consideration of diverse (LGBTQ) consumers 						✓	✓	