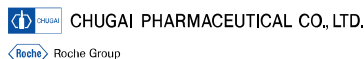


CAUX ROUND TABLE

2020 Human Rights Due Diligence Workshop (Stakeholder Engagement Programme)

Supported by / Cooperated by



10th February, 2021

“Human Rights Issues by Sector v.9”

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

The 2020 Human Rights Due Diligence Workshop was held for the ninth year, over eight sessions in the period from 27th August to 18th November. The participants identified sector specific human rights issues using the Human Rights Guidance Tool developed by the United Nations Environment Programme Finance Initiative (UNEP FI). As a feature of the 2020 workshop, the impact and response issues of Covid-19 were also shared and discussed to identify key human rights issues. This document is the result of the participants' discussions.

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

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

Caux Round Table Japan
Nippon CSR Consortium
Minoru Matsuzaki
Hiroki Wada

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1 Preface

1-1. Purpose of Human Rights Due Diligence Workshop

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

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

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

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

	2017	2018	2019	2020
Companies	23	17	24	20
NGOs/NPOs	17	14	13	10
Participants	67 persons	60 persons	80 persons	60 persons

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

² Refer to: Human Rights Council, 2011, *Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises*, Available at: <http://www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf#search='report+of+the+special+representative+of+the+secretarygeneral+on+the+issue+of+human+rights+and+transnational> (Accessed Nov 10th, 2014).

1-2. An overview of the Workshops for Identifying Human Rights Issues

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

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

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

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

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

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

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

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

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

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

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

In 2018, given the raised concerns from NGOs/NPOs, the participants reviewed any points for addition and modification on “Human Rights Issues by Sector ” formulated by the CSR Consortium last year, using the Human Rights Guidance Tool⁹ (2014 revision) developed by UNEP FI. As a feature of the workshop, NGOs/NPOs raised globally increasing concerns such as marine plastic pollution, SOGI (sexual orientation/gender identification), and the Technical Intern Training Program in Japan. Also, the subject experts shared the trends of Japanese institutional investors. In regard to the composition of the corporate participants, the participation from the chemical and building materials sector, consumer goods sector, and food sector increased significantly from the previous year. In addition, the companies in the pharmaceutical, printing and consulting sectors, which did not identify sector specific human rights issues in the previous year, participated in the workshop. On the other hand, the companies from the manufacturing and transport sectors did not participant in the workshop this year. The final report “Human Rights Issues by Sector (v.7)” was released.

In 2019, given the raised concerns from NGOs/NPOs, the participants reviewed any points for addition and

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

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

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

modification on “Human Rights Issues by Sector ” formulated by the CSR Consortium last year, using the Human Rights Guidance Tool¹⁰ (2014 revision) developed by UNEP FI. As a feature of the workshop, NGOs/NPOs raised globally increasing concerns such as AI and human rights, AI and privacy, relationships between climate change and human rights, foreign workers in Japan, grievance mechanism, and SDGs and human rights. In regard to the composition of the corporate participants, the participation from the chemical and building materials sector, consumer goods sector, and food sector increased significantly from the previous year. The final report “Human Rights Issues by Sector (v.8)” was released.

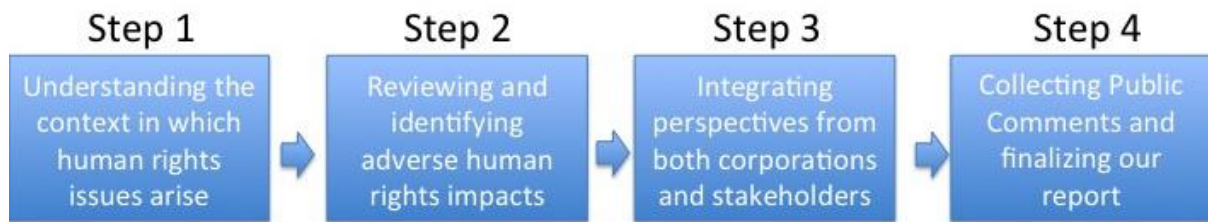
In 2020, given the raised concerns from NGOs/NPOs, the participants reviewed the sector specific human rights issues formulated by the CSR Consortium last year as to whether there were any additions/deletions/correction points. This year, due to the impact of Covid-19, this workshop, which was originally 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. The final report “Human Rights Issues by Sector (v.9)” was released.

As the outcomes of the workshop this year, "Human Rights Issues by Sector (v.9)" and "Summary of the cross-industry meeting for corporate participants" (attachment 1) were formulated.

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

1-3. Implementation Steps of the 2020 Workshop

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 opened public comments on this paper from 28th December 2020 – 29th January 2021 (Japan Time). The Secretariat opened the draft document for public comment from Monday 28th October 2020 to Friday 29th January 2021 (Japan time). Based on the discussions among participants, NGOs/NPOs, and experts, and reflecting the opinions of the public comments, "Human Rights Issues by Sector (v.9)" was developed and released.

1-4. Notes for this document

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

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

1-4.b Scope of Study and Analysis

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

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

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

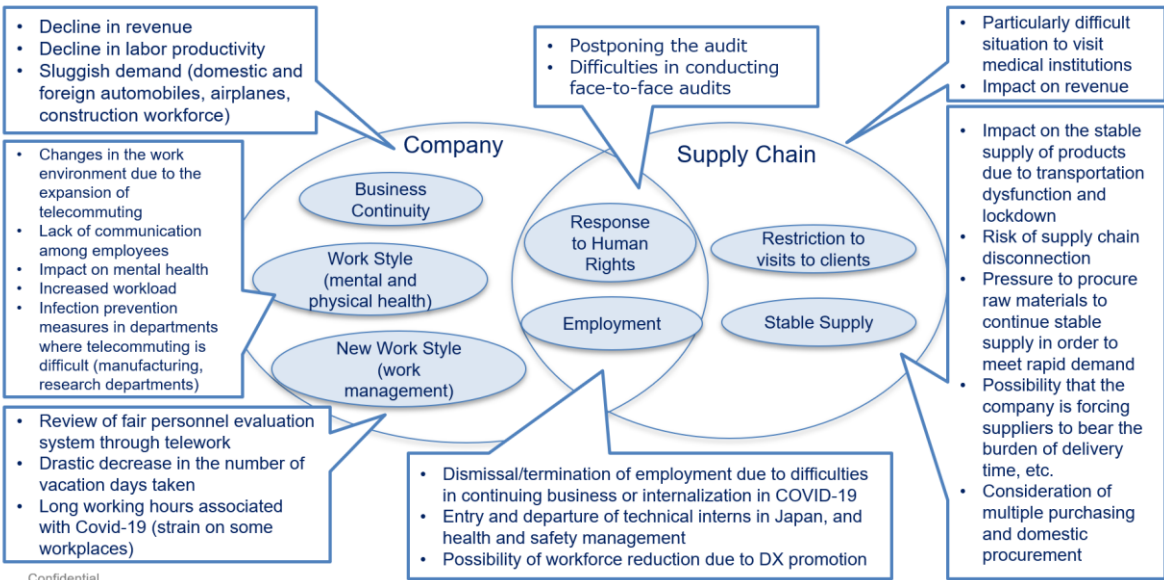
In recent years, there have been increasing calls for companies to fulfill their responsibility to respect human rights. The Guiding Principles on Business and Human Rights, adopted by the United Nations Human Rights Council in 2011, require states to develop national action plans, and calls on companies, regardless of size or industry, to develop and implement human rights due diligence which identifies, assesses, prevents, mitigates, addresses, and discloses negative human rights impacts of their business activities. In addition, in achieving the Sustainable Development Goals (SDGs), companies are positioned as an important implementing entity, and are expected to maximize the positive impact and minimize the negative impact of their activities. Against this background, on October 16, 2020, the Ministry of Foreign Affairs in Japan released an action plan on business and human rights. From now on, it is expected that this plan will contribute to the achievement of the SDGs by encouraging companies to promote a respect for human rights while ensuring policy consistency among the relevant ministries and agencies in Japan.

One of the major events in 2020 is the outbreak of a pandemic new coronavirus infection (Covid-19). A pneumonia of unknown etiology (unknown cause) detected in Wuhan City, China quickly spread to all around the world. Countries around the world have introduced emergency declarations, strict lockdowns, and entry restrictions to contain the spread of Covid-19. As a result, the movement of people and goods stagnated and economic activities were greatly curtailed, which had a significant impact on businesses. In the manufacturing industry, amid sluggish demand due to trade friction between the U.S. and China, there have been a series of plant closures and downsizing due to the impact of Covid-19, and there has been an increase in the number of layoffs and suspensions of employment of foreign workers and non-regular workers who are in unstable labor contract positions. With regard to the supply chain, workers have been subjected to wage payment delays and stay-at-home orders or dismissals due to order cancellations and payment delays by business partners. On the other hand, demand is increasing in industries related to social infrastructure. However, the rapid increase in production and orders are causing overwork and mental health problems. In addition, it becomes an issue on how to ensure the prevention of infection of Covid-19 in departments where it is difficult to work from home. In addition, there is a risk that people in socially vulnerable positions who are already facing human rights issues such as forced labor and child labor will face even more serious human rights issues. Under the growing negative impact on human rights, companies are encouraged to make continuous efforts to mitigate the negative impact on human rights of their stakeholders to the extent possible.

Covid-19 is a challenge to see how humanity can build a global safety net. Currently, while vaccine development is reaching its climax at drug manufacturers and research institutes around the world, developed countries are securing vaccines in advance. Vaccination has started in some countries such as the United Kingdom. However, developing countries are lagging behind in securing vaccines, and there are growing concerns that the disparity between the northern and southern will worsen. Out of concern that developing countries will be left behind, WHO has established an international framework (COVAX Facility) with a public-private partnership to jointly purchase Covid-19 vaccines and distribute them to developing countries, and is calling on countries to join the COVAX Facility. The challenge is how to distribute vaccines to the

socially vulnerable (those who are left behind) to ensure equitable access. WHO has warned that the slackening of infectious disease control measures due to excessive expectations for vaccines will prolong the complete control of Covid-19 infection. We are now faced with the challenge of shifting to a New Normal lifestyle, not "after corona" but "with corona". Extension of conventional economic activities is not the answer.

2. Impact of COVID-19 to one's company and supply chain CAUX ROUND TABLE



Confidential

The purpose of this workshop is to support companies in taking the first step towards conducting human rights due diligence. Individual companies, in cooperation with their stakeholders, are encouraged to use their expertise and strategy to address the human rights issues, 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 workshop can incorporate the outcomes of this workshop into their corporate management and utilize them for their human rights initiatives.

3. “Human Rights Issues by Sector”

3.1 Manufacturing Sector

Key value chains in manufacturing sector

Create: research, development, design Buy: capital investment, procurement Manufacture: production, manufacturing

Transport: storage, logistics Sell: sales and marketing Use: consumption, utilization, maintenance Disposal: disposal, recycling

Key human rights issues in the manufacturing sector		Concrete issues	Value Chain						
			Create	Buy	Manufacture	Transport	Sell	Use	Dispose
Core operation/ Supply chain	Working hours and wage	<ul style="list-style-type: none"> In Global 1: Risks of long working hours, because the minimum wage does not meet the standard of living in the community 2: Excess labour risks due to production adjustment (priority delivery) *experienced both requests for production increase for daily necessities due to COVID-19 and production cut plan due to a decrease in demand 3: Proper working time management may not be practiced 4: Proper compensation (wage) for labour may not be paid. Working time is not recorded → Payment can not be made 	✓	✓	✓	✓	✓	✓	
		<ul style="list-style-type: none"> Unpaid overtime work especially in Japan, long working hours. A heavy workload for senior staff. Discretionary labor system •Inappropriate operation by managers in name only Different work conditions and wage disparity among group companies. Equal pay for equal value of work Long working hours caused by low production efficiency due to old production equipment 							
	Workplace conditions	Health and safety 1: Physical, hard 2: Mental side 3: Health 4: Education	1: Severe incidents causing death or injury especially within research and development, as well as manufacturing sites. [C/M] 2: Long working hours may cause health problems, in particular mental health issues. 3: Progression of diseases caused by lack of health checkups.						
			1: Inadequate living conditions such as sharing one small dormitory room with several people, poor sanitation (shower, toilet, etc.), building a dormitory on the factory premises, and being locked up to control may affect the health of the employees. 3: Occupational diseases may be caused due to lack of protective equipment such as finger sacks, gloves, masks, ear-plugs, or not wearing such equipment. 1: Health and safety standards in Japan do not conform to global standards. (emergency exit and evacuation drills) 4: Treatment of foreign workers in Japan (Especially awareness and training on health and safety, language barriers)	✓	✓	✓	✓	✓	✓
	Discrimination	During employment and work	<ul style="list-style-type: none"> Risk of receiving unequal treatment in working conditions, training, and promotion. Discrimination against female workers and sexual minorities. Harassment (Sexual and power harassment). Addressing LGBTQ issues. (some companies established gender-neutral bathrooms/changing rooms and got rid of the gender section on applications) Discrimination against nationalities, races and religions. 	✓	✓	✓	✓	✓	✓
	Child labour	1: Minimum age 2: Addressing young workers	1: There may be possible risks of child labour and child trafficking through brokers in supply chains across developing countries (e.g. subcontracting works). 1: Workers in Asian countries may apply for recruitment by falsifying their age. 2: Risk of engaging in night work or dangerous work		✓	✓	✓	✓	✓
Forced or compulsory labour	Deposits and papers	<ul style="list-style-type: none"> When recruiting migrant workers (foreigners, migrant domestic workers) in Asian countries, recruiters may force them to hand over their ID (e.g. passport) and/or to pay excessive commission fees. 			✓	✓		✓	
	Forced overtime	<ul style="list-style-type: none"> Long working hours due to excessive quota requirements may cause forced overtime. 	✓	✓	✓	✓	✓		

Key value chains in manufacturing sector

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

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

3.2 Chemical and Building Materials Sector

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

*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"> There may be overtime work when receiving orders because of the lack of due consideration of resources (one's company and supply chain) and shorter delivery times due to COVID-19. There is not enough understanding on the degree of working hours management according to different working conditions depending on country/areas (supply chain). 	✓	✓	✓/✓	✓/✓	✓	✓/✓				✓/✓	
		Health and safety	<ul style="list-style-type: none"> There are relatively many sources of risks in the workplace environment as manufacturers that use hazardous substances (chemical substances) and large scale facilities (one's company and supply chain). Accidents during the transportation of dangerous substances may cause health hazards to the parties concerned and those around the site. Insufficient information on chemical substances from suppliers may cause health damage to employees in one's company and final consumers (one's company and supply chain). If we outsource companies with poor ethical values to conduct safety tests or functionality tests through people, human rights issues may arise (supply chain). In the manufacturing sector (especially plant operation), working from home would be impossible. As many workers come to the plant upon the regular maintenance and repairs, insufficient measures for COVID-19 may negatively influence safety and stable operations. 	✓	✓	✓	✓/✓	✓/✓	✓	✓	✓	✓/✓		
		Disciplinary measures	<ul style="list-style-type: none"> Because the customs of disciplinary measures differ largely according to each country or area, the disciplinary policies may not conform to the country or area (one's company). Grievance mechanisms available for disciplined persons may be insufficient (one's company). The customs of disciplinary measures differ largely according to each country or area, it becomes difficult to grasp the actual practices of disciplinary measures at supplier's sites (supply chain). 	✓	✓	✓	✓	✓	✓		✓	✓		
		Wage	<ul style="list-style-type: none"> Potential risks in suppliers and contractor. The fair wage corresponding to working hours may not be paid. Wages paid to foreign technical intern trainees may not be clarified. 			✓		✓			✓	✓	✓	
	Discrimination	During work	<ul style="list-style-type: none"> Cases of harassment issues which are raised as social problems differ depending on region and time (for instance, discrimination against sexual minorities in 2015, and power harassment in 2019). Elimination of discrimination at workplace globally remains unsolved (one's company and supply chain). A delay in improvement of the working environment for people with disabilities/ foreign workers with limited Japanese skills may lead to human rights problems (one's company and supply chain). While the EU General Data Protection Regulation is being strengthened even in Japan, full measures may not be taken to respect the privacy of employees and protect personal information (one's company and supply chain). 	✓	✓	✓	✓	✓	✓		✓	✓	✓	
		Redundancy and dismissal	<ul style="list-style-type: none"> Illness and pregnancy may be a judgment factor without specifying objective standards, and implementation based on sufficient communication may not be made (one's company and supply chain). Non-regular employees and on-site work contractors may be dismissed due to the economic downturn caused by COVID-19 and it may be difficult to have a true figure of the situation. Employees are likely to experience unexpected dismissal due to the progress of digital transformation in the time of COVID-19. 	✓	✓	✓	✓	✓	✓					
	Child Labour	Dangerous work and employment	<ul style="list-style-type: none"> Potential risks in suppliers and contractors 			✓						✓	✓	✓
		Minimum age	<ul style="list-style-type: none"> Potential risks in suppliers and contractors 			✓						✓	✓	✓
		Working hours and working conditions	<ul style="list-style-type: none"> Potential risks in suppliers and contractors 			✓						✓	✓	✓
		Employment of young workers	<ul style="list-style-type: none"> Potential risks in suppliers and contractors 			✓	✓					✓	✓	✓

Key human rights issues in chemical and building materials sectors			Concrete issues	Value Chain								
				Research	Development	Procure	Produce	Transport	Sell	Use	Reuse and recycling	Dispose
Core operation/ Supply chain	Forced Labour	Deposits and papers	• Quantitative data regarding migrant workers globally and the actual situation of foreign technical intern trainees are not comprehensively identified. When forced labour occurs, companies may face great reputational risks (supply chain).			✓					✓	✓
		Forced overtime	• As a feature of B to B companies, forced overwork is demanded to workers when companies receive orders without due consideration of resources (volunteer overtime work is regarded as overtime work) (one's company and supply chain).	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Human trafficking	• Quantitative data regarding migrant workers globally and the actual situation of foreign technical intern trainees are not comprehensively identified. When forced labour occurs, companies may face great reputational risks (supply chain).		✓	✓					✓	✓
	Freedom of association	Freedom of association and collective bargaining	• Labour-management negotiations may not be properly conducted (one's company and supply chain). • Employees may not have a means to discuss issues related to labour without interference of companies (one's company and supply chain).	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Conflict with local law	• Employees may not have a means to discuss issues related to labour without interference of companies. (one's company and supply chain)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Community	Resources	Use of natural resources (water and land)	As a chemical company, we are working on reduction of environmental impacts and proper management of chemical substances, but the following points are listed as potential human rights issues. • Concerns regarding inappropriate use and disposal by customers (value chain) (e.g. marine plastics) • The industry may give a huge impact to local communities, as it uses a relatively large amount of resources. Also, it may cause pollution damaging to the communities by outflows of hazardous materials and exposure to them. (one's company and supply chain) • Possible risks of water depletion due to excessive use of water and deforestation by construction of factories. (supply chain) • Impact may be given to local communities due to the depletion of natural resources. (supply chain) • Promoting the transition from fossil resources to non-fossil resources may adversely affect indigenous peoples' rights such as forced detention of land and biodiversity such as deforestation.				✓	✓			✓	
Society and government	Relations with governments	Bribery and corruption	• If land acquisition is required for establishment of factory or sales (licensing), bribes are required, and the land acquisition as a result may force the local residents to change their living environment. • Because of being involved in corruption, companies may be given a payment order for surcharge regarding violations and an order to stop operations. Also, damages on reputation is considered, and as a result, the employment may be indirectly affected. (one's company)			✓	✓		✓	✓	✓	
		Gov'ts with poor human rights awareness	• Acquisition of permits and licenses, and operations in countries with low human rights awareness, and procurement from such countries (such as conflict minerals and timber) may indirectly get companies be involved in occurrence of the negative impact on human rights. (one's company and supply chain).		✓	✓	✓	✓	✓	✓	✓	✓
Remedy			(1) Because we have a wide range of value chains, we may not be able to respond to the following matters in a timely and appropriate manner • Establish a consultation system and set up a contact point in consideration of the local language, reception hours, legal system, and culture. • Inform how to access grievance mechanisms, and on the expected handling method and period. • The value chain needs to be visualized (2) Given the impact of COVID-19, consideration and response are required for the following items as well. • Review of grievance mechanisms (It is required not only to set up a grievance contact point on the premise of coming to the office (e.g. suggestion box) but also to build a system to manage grievances remotely) (3) When a complaint about human rights is received at a grievance desk for compliance and harassment, it may not be shared with human rights personnel and appropriate measures may not be taken from the perspective of respect for human rights.	✓	✓	✓	✓	✓	✓	✓	✓	✓

3.3 Consumer Goods (Cosmetics and daily goods) Sector

Key human rights issues in consumer goods sector			Concrete issues	Value Chain							
				Development	Research	Procure	Produce	Transport	Advertise	Sell	Use
Core operation / supply chain	Working Conditions	Working hours	<ul style="list-style-type: none"> Long working hours may be caused by (a) production schedules that presuppose overtime work, as well as attempts to catch up to delays in production schedules in upstream supply chain, (b) low wages that do not match local standards of living, (c) piece-rate work, and (d) repair work of a large volume of defective products or products which need adjustments. Long hours of work may occur due to excessive response for customers and increase of man-power by ambiguous targets. There is a possibility that labor management may be inadequate, or rest days required by law may not be intentionally given, and limits of overtime hours may not be upheld. 	✓	✓	✓	✓	✓	✓	✓	✓
		Wages	<ul style="list-style-type: none"> Pressure of cost reduction from buyers may lead to non-compliance with minimum wages. Frequent revisions of minimum wages in some countries may lead to non-compliance with minimum wages. Proper rewards for overtime hours may not be paid due to poor compliance with laws/regulations and inadequate labour management. Equal pay for work of equal value may not be practiced. Fair compensation according to productivity may not be paid. 	✓	✓	✓	✓	✓	✓	✓	
		Health and safety	<ul style="list-style-type: none"> Education on health and safety, disaster drills, first-aid drills, and handling instructions on toxic chemical substances may not be thoroughly conducted. Health hazard may occur due to insufficient efforts to improve a harmful working environment to workers' health (loud noise, vibrations, illuminance, room temperature, ventilation and exhaust). Risks of having pregnant women and young people engage in dangerous or injurious work. Workers may be exposed to danger due to aging buildings, illegal constructions, insufficient emergency exits and evacuation passages. <p>[Emerging concerns due to COVID-19]</p> <ul style="list-style-type: none"> Being forced to work remotely and loosing a work-life balance may lead to 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	During employment During work During use	<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. 	✓	✓	✓	✓	✓	✓	✓	
	Child labour	Minimum age	<ul style="list-style-type: none"> Children under the minimum age may be working without verification of their identify, or based on counterfeit identification. Children under the minimum age may be exposed to child labour due to poverty. Children may be exposed to child labour at raw material suppliers (plantations, quarries, etc.) Children may be exposed to child labour including temporary staff and contract employees. 			✓	✓				✓

Core operation / supply chain	Forced or compulsory labour	Forced overtime Human trafficking	<ul style="list-style-type: none"> Workers may be forced to work by violence, the threat of violence, financial issues, possession of passport, or any other form of coercion. Labor contracts (employment contracts) are not explicitly stated in the document, and workers may be forced to work under unfavorable working conditions. Vulnerable immigrants, refugees, technical interns may be exposed to forced labour. 		✓	✓	✓	✓				✓	
	Freedom of association		<ul style="list-style-type: none"> The formation of labour unions and collective bargaining may be refused without any legitimate reason. Poor treatment or dismissal to union members may be practiced. Workers may get fired due to participation in strikes. 	✓	✓	✓	✓	✓	✓			✓	
Community	Resources	Water stress	<ul style="list-style-type: none"> Use of a large amount of water and pollution of rivers by the inflow of toxic chemical materials may cause an adverse impact on the local environment and health of local residents living in affected areas. 	✓	✓	✓						✓	
		Terrestrial resources	<ul style="list-style-type: none"> Manufacturing products may cause an adverse impact on the protection of forest eco-systems. Abandoning waste or illegally dumping it because of not selecting an appropriate contractor. 	✓	✓	✓	✓					✓	
		Marine resources	<ul style="list-style-type: none"> Manufacturing plastic products may cause an adverse impact on the protection of marine eco-systems. 	✓								✓	✓
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> Bribery may be demanded when acquiring license at each stage of the value chain. 	✓	✓	✓	✓	✓	✓			✓	
		Relations to states with poor human rights records	<ul style="list-style-type: none"> Reputational risks and human rights risks are present due to approach to a country with low human rights awareness 		✓	✓							
Consumer	Relations with consumers		<ul style="list-style-type: none"> Inadequate efforts to increase the quality and safety of goods, and to mitigate risks for consumers. If correct information is not communicated, the correct usage is not followed. This will bring disadvantages to both the consumer and the manufacturer. Inadequate efforts to improve the traceability of materials and products. Insufficient efforts to solve consumer issues through innovation. 	✓	✓	✓	✓	✓	✓	✓	✓	✓	
			<ul style="list-style-type: none"> Personal information such as customer profiles and monitoring data, security cameras, purchasing behaviour, information contained in cookies, and delivery address may be leaked, mismanaged, processed, transferred, and used improperly. 	✓			✓	✓	✓				
		Privacy	<ul style="list-style-type: none"> Advertisements and promotions may violate children's rights, impair healthy development, or threaten safety and health. Equal access to products that meet the needs of children's growth characteristics may not be ensured. 						✓	✓			
		Health and Safety of Children	<ul style="list-style-type: none"> Advertisements or promotions may be associated with discrimination or bullying, which seems accepting and encouraging discrimination or bullying. 					✓					
		Harassment and discrimination	<ul style="list-style-type: none"> Disposal of plastic products, containers, and packaging may negatively impact on the environment. 	✓	✓	✓	✓			✓	✓	✓	
		Sustainable society	<ul style="list-style-type: none"> Grievance mechanism may not be developed. Even if already implemented, it may not work functionally. 	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Grievance mechanism											

3.4 Food Sector

Key human rights issues in food sector		Area of risk occurrence	Concrete issues	Value Chain								
				Developme	Research	Procure	Produce	Transport	Sell	Consume	Dispose	
Core operation / Supply chain	Workplace conditions	Working hours	global	<ul style="list-style-type: none"> Long working hours may occur at all work in own manufacturing factories including those of suppliers, and in logistics drivers. When production such as seasonal items concentrates, forced labour may occur to keep the delivery date. Due to the impact of COVID-19 (increasing demand for home-cooked meals due to staying at home), overwork occurred because of increased production. It became more common to work remotely due to changes in working styles, which leaves a problems regarding working hour management (unpaid overtime). 	✓	✓	✓	✓	✓	✓	✓	
		Wages	global	<ul style="list-style-type: none"> Wage levels do not match the local standard of living. Proper wages are not paid to workers due to the application of piece-rate work in palm farms and fishing grounds. Introducing efforts effectively to the society such like fair trade enables to increase consumer's safety and corporate value, as well as pay fair wages to local workers. The wages of foreign workers may not meet the minimum standard of living. Housing for them may not be well taken care. Securing wages according to working hours (compliance with laws and regulations in each country) Wages are not guaranteed due to factory operation suspension, lockdown, etc. given the influence of COVID-19. 	✓	✓	✓	✓	✓	✓	✓	
			Japan	<ul style="list-style-type: none"> (The impact of COVID-19) Unfair treatment to foreign workers and technical intern trainees such as unfair low wage and termination of employment contract Unfair treatment to dispatched workers such as unfair low wage and termination of employment contract Unreasonable deduction from salaries that is not determined in advance (e.g., bathroom usage fees, etc.) have occurred and are not mentioned in detail on a pay slip. 								
		Health and safety	global	<ul style="list-style-type: none"> The health and safety of employees and workers may be threatened due to excessive work, inadequate measures against work-related accidents, handling of chemical substances including agrichemicals, and dangerous work in a process of manufacturing products including raw material suppliers and a process of research and development (Employee = including perspective of persons with disabilities). In order to reduce risks, it is important to consider and address cultural differences and diversity such as color barrier-free (consideration of coloring) and direction of opening and closing the door, display of their own language for foreign workers, and support for heavy-duty work by using supporting tools. The physical burden on logistics drivers is heavy (unloading containers and freezer operations), and health considerations may be lacking. A heavy workload at distribution centre hub (unloading containers, working in the freezer, etc.). The impact on vulnerable people will be even greater. In addition, there may be a lack of health considerations. Insufficient support for foreign workers to make a clinic visit Insufficient support for clothing, food, and housing for foreign workers Insufficient mental health support for foreign workers Insufficient precautions to prevent infections in the workplace (not limited to COVID-19, but also other diseases and infectious diseases) Insufficient precautions to prevent infection of children. Parents may abuse or neglect children due to the influence of COVID-19. Not all employees have a thorough medical examination 	✓	✓	✓	✓	✓	✓	✓	
	Disciplinary action	global	<ul style="list-style-type: none"> Compliance with the implementation of disciplinary action for an employee who engages in harassing behaviour Implementation of appropriate disciplinary action in accordance with laws, regulations and office regulations 	✓	✓	✓	✓	✓	✓	✓	✓	
	Discrimination	Employment	global	<ul style="list-style-type: none"> Discrimination may occur during the recruitment process, based on race, gender, religion, origins including overseas, sexual orientation, sexual recognition, disabilities, ethnicity and beliefs. Debt labour occurs through recruitment fees to sending organizations and payments to foreign language education institutions. There is also a domestic problem of employing workers without being aware of the background. 	✓	✓	✓	✓	✓	✓	✓	✓
		During work	global	<ul style="list-style-type: none"> Safety education may be fully given to workers including foreign employees, disabled persons and temporary workers. Also, they may receive unequal treatment in safety education. Workers may be forced to have unstable employment form. Sexual, power, maternity, SOGI harassment. Harassing behaviour to people who tested positive for COVID-19 and their families Insufficient support and work environment for people with disabilities 	✓	✓	✓	✓	✓	✓	✓	✓

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	Discrimination	During work	Japan	<ul style="list-style-type: none"> Manuals that support multiple languages, multiple religions, and consideration of the work environment are necessary. Discrimination may occur due to differences in nationality and religion. 	✓	✓	✓	✓	✓		✓
		Assessment, Treatment, Dismissal	global	<ul style="list-style-type: none"> Discrimination may occur in assessment and treatment based on race, gender, religion, origins, LGBT, SOGI, disability, ethnicity, beliefs, medical history (HIV etc.), care for family members, and Infertility treatment. It is necessary to support life for foreign workers and their families, and to prevent isolation in the community. Fair promotion and pay increase according to the evaluation of foreign technical intern trainees. Lack of communication creates sense of isolation. No rewarding evaluation or treatment is given. 	✓	✓	✓	✓	✓		✓
			Japan	<ul style="list-style-type: none"> Female managers in Japan still remain uncommon. Delays in barrier-free. The disabled may not find the work rewarding An increase in child labour due to widening of the income gap and the increasing number of poor people Confirming whether tier 2, tier 3 suppliers engage in child labour especially in the developing countries. 							
	Child labour (elementary students)		global	<ul style="list-style-type: none"> Child labour under the minimum labour age may occur. Children may lose the right to education. · Children may suffer from mental and health problems. 	✓	✓	✓	✓	✓		✓
	Employment under 18 years of age		global	<ul style="list-style-type: none"> Involvement in night labour and dangerous labour 	✓	✓	✓	✓	✓		✓
	Forced or compulsory labour		global	<ul style="list-style-type: none"> Forced labour against immigrant workers may occur. Illegal immigrants may receive inhumane treatment. Forced labour in procurement process of agriculture, forestry and fisheries may occur (Working environment at the fishery working site). Long working hours may occur due to excessive requests from business partners. Conclusion of an employment contract is required. Employment contracts should be prepared in local languages, or in the language of foreign nationals. (Global) Confirming whether employees of tier 2, tier 3 suppliers experience excessive working hours, especially in the developing countries. 		✓	✓	✓	✓		✓
			Japan	<ul style="list-style-type: none"> Exploitation of technical intern trainees (e.g. taking a passport away), engagement in dangerous labor. Slave labour in procurement process of agriculture, forestry and fisheries (working environment in domestic livestock sites) Forced savings at the time of contract (Employers take passbook seal away from employees) Support for technical intern trainees who have difficulty going home during the COVID-19 crisis 							
	Freedom of association and collective bargaining	Conflict with local law	global	<ul style="list-style-type: none"> Freedom of association and the rights of collective bargaining under international human rights regulations may not be fully ensured in countries in which unions are not permitted, or unions are permitted but poorly implemented. 	✓	✓	✓	✓	✓		✓
Access to Remedy		global	<ul style="list-style-type: none"> It is necessary to address grievances throughout the value chain. Concerning consumption, it is necessary to provide 24/7 customer support and multilingual printing. It is essential to establish not only whistleblowing system, but also grievance mechanisms for external stakeholders. 	✓	✓	✓	✓	✓	✓	✓	
Protection of Privacy		Japan	<ul style="list-style-type: none"> Use of data of security cameras for food defense may infringe on privacy. 			✓	✓				

Key human rights issues in food sector		Area of risk occurrence	Concrete issues	Value Chain								
				Research Developme	Procure	Produce	Transport	Sell	Consume	Dispose		
Community	Resources	Use of natural resources	global	<ul style="list-style-type: none"> • Due to large-scale agriculture, fishery and forestry at suppliers of raw materials, communities may face a decrease in agricultural production and catches of fish. • Impact may be given on access to water, local ecological systems (air pollution, soil pollution, contamination by waste and plastic waste), and lives and traditions of local and Indigenous people. • A single crop production (switch to cash crops) may cause the loss of a self-sufficient food system. 	✓	✓	✓	✓				
		Climate change	global	<ul style="list-style-type: none"> • Reduced yield due to global warming • Impact on the living area due to the occurrence of natural disasters caused by climate change 	✓	✓	✓	✓	✓	✓	✓	✓
	Impact on community		global	<ul style="list-style-type: none"> • Negative impact on community lifelines due to pollution (noise, vibration, foul odor, waste, etc.) associated with construction and operation • <u>Infringement of access to evacuation shelters in the event of a disaster</u> 		✓	✓	✓				✓
	Access to land	Title to land	global	<ul style="list-style-type: none"> • Titles to the land of local people or indigenous groups may be ignored at the occasion of land enclosure, especially when constructing such as fields, ponds, factories/manufacturing sites, and waste treatment plants. • <u>Deprivation of the rights of local people may occur due to the enclosure of agricultural lands.</u> 		✓	✓					✓
	Investment to community		global	<ul style="list-style-type: none"> • The withdrawal of local factories and projects may reduce employment in the surrounding area, which may lead to a decline of the local economy. 	✓	✓	✓	✓	✓	✓	✓	✓
	Access to remedy		global	<ul style="list-style-type: none"> • <u>Attention on not only foreign workers at work, but also their home environment is required. Also, grievance should be addressed.</u> 	✓	✓	✓	✓	✓	✓	✓	✓
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 violations such as human trafficking may occur due to collusion between the sending organization and relevant government of the country concerned. • Expansion, business operation, and procurement in countries where occupational safety laws and regulations are not in place 		✓	✓		✓			
Consumer	Health and safety	Provision of proper information	global	<ul style="list-style-type: none"> • Incorrect food labeling (ingredients, misrepresentation) may cause health hazard/ religious issues to consumers. • Inappropriate marketing may lead to incorrect eating habits of consumers, especially minors and the elderly. (health damage caused by overdose of specific ingredients) • <u>Inappropriate advertising and PR may cause more discrimination.</u> 	✓					✓	✓	
		Quality control	global	<ul style="list-style-type: none"> • Insufficient quality control (storage conditions, hygiene control, process control, transportation control, etc.) and hygiene training for employees may cause health hazards to consumers. • <u>Insufficient measures against intentional quality degradation (food defense)</u> 	✓	✓	✓	✓	✓	✓	✓	
		Responsible disposal	global	<ul style="list-style-type: none"> • Waste (food residue, plastic waste, etc.) may not be treated properly, causing environmental deterioration. • <u>Child labour and forced labour in waste disposal work may occur.</u> 	✓	✓	✓	✓	✓	✓	✓	
	Privacy Protection		global	<ul style="list-style-type: none"> • Risks of leaking personal information gained through consumer campaigns, mail order sales, and member registration. <p>Storage management, information processing management, information transfer management (including contractors) are required.</p>				✓	✓	✓		

3.5 Pharmaceutical Sector

Key human rights issues in pharmaceutical sector			Concrete Issues	Value Chain								
				Research	Develop	Procure	Produce	Transport	Sell	Consume	Dispose	
Core operation/ Supply chain	Working conditions	Working hours	<ul style="list-style-type: none"> • Long working hours may occur due to concentration of clinical trial on developed products, concentration of production due to approval of new products, increased production due to pandemic occurrence, and product recall. • Long working hours may occur due to excessive customer support. • Long working hours may occur due to insufficient labor management based on labor laws of each country / region. 	✓	✓	✓	✓	✓	✓	✓	✓	
		Wage	<ul style="list-style-type: none"> • Wage standards may not conform to living standards in the 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. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
	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	<ul style="list-style-type: none"> • Participation in labor unions and similar organizations may be obstructed due to retaliation, intimidation or harassment from business people. The opportunity for labor-management consultation is not substantially secured. 	✓	✓	✓	✓	✓	✓	✓	✓	✓
		Measures not permitted by domestic law	<ul style="list-style-type: none"> • Freedom of association and collective bargaining rights (in accordance with international law) may not be ensured in countries where trade unions and similar organizations are not recognized or 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. 	✓			✓	✓		✓	✓	
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 Chain	• Appropriate remedy may not be provided due to insufficient or undeveloped systems.	✓	✓	✓	✓	✓	✓		✓
Consumers	Relations with patients	Health and safety	• Insufficient measures may be taken for elimination of counterfeit medicines.				✓	✓		✓	✓
			• Health hazard may occur due to delay of report on side effects.						✓	✓	
			• Injury may occur due to product failure (including doctors, nurses, pharmacists, etc.)						✓	✓	
			• Investigational new products and therapeutic products to the patient may be given without prior informed consent.		✓				✓	✓	
			• Side effects due to medication or incorrect medication may cause health hazard to the patient.							✓	
			• Damage to the environment may be caused by inappropriate disposal of medicines that the patient can not use (It becomes a problem in the United States that medicines are disposed in toilets).							✓	✓
			• Inappropriate prescription / treatment may be given due to exaggerated PR of product information.		✓					✓	✓
		• Decline in medical access in depopulated areas may result in failure to properly provide drugs in a timely manner.							✓	✓	
	Response to rare diseases	• 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.				✓	✓	✓	✓	
		Personal information	Management of health information of individuals	• The leakage of personal information such as genetic information and invasion of privacy may identify individuals and may cause data misuse. • Risk of leakage of personal information acquired through business operations	✓	✓	✓	✓	✓	✓	✓

3.6 Logistics and Transport Sector

Key value chains in logistics

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

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

Key human rights issues in logistics and transport sector		Concrete issues	Value Chain					
			Create	Buy	Sell	Transport	Dispose	
Core operation/ Supply chain	Workplace conditions	Working hours	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. 	✓	✓	✓	✓	
		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. 	✓	✓	✓	✓	
		Health and safety	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. [shipping business] As this industry has a high public nature, there is a possibility of secondary damage of occupational accidents when disaster occurs Long working hours may cause mental health risks. Potential risks of causing forced and child labour, and threatening the health and safety (other than employees) in supply chains. Working remotely may adversely impact on employees' mental health (signs of declining mental health may not be easily recognized) The difficulties around transit and crew change may cause longer time stay at sea and trigger mental issues. In the workplace where it is difficult to work from home, there is a risk of infection due to inadequate measures against infectious diseases including coronavirus. 		✓	✓	✓	✓
	Discrimination	Employment Environment and Requirement	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. <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. 			✓	✓	

Key human rights issues in logistics and transport sector			Concrete issues	Value Chain				
				Create	Buy	Sell	Transport	Dispose
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> In addition to fossil fuels, diversification of energy sources makes a progress including non-conventional natural gas resources and power generation by natural energy. There may be environmental pollution such as air pollution, water quality deterioration and destruction of habitats at suppliers of fuel oils.[B] Air pollution may be caused by gas discharged from many transportation vehicles passing through the transportation route. [T] Oil spill accidents may cause marine environmental destruction. Environmental destruction such as soil contamination, water quality degradation and air pollution may occur due to construction and use of transportation infrastructure such as a factory, distribution center, road, railway, port and airport. The procurement and use of fossil fuels, and an inefficient use of resources may cause climate change and give a negative impact on people's lives. Potential for contributing to sustainable development by efficient use of natural resources (positive impact) In the procurement stage of ingredients necessary for operations, human rights may be threatened in water and sanitation in the area of procurement. [Aircraft] 		✓		✓	
		Use of infrastructure	<ul style="list-style-type: none"> Vehicles, ships, and aircrafts operated by companies may cause damage to the roads, harbors and airports where they operate. Disasters may damage infrastructure and disrupt logistics. Efforts to promptly recover infrastructure such as roads and logistic centers after disasters, and maintain basic infrastructure for local daily life (positive impact). 	✓	✓		✓	
	Security		<ul style="list-style-type: none"> Accidents may cause an adverse 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). 				✓	
	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 				✓	✓
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. 				✓	✓
	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) 	✓	✓	✓	✓	✓
	Access to remedy		<ul style="list-style-type: none"> Remedy may not be provided if human rights issues in general occur 	✓	✓	✓	✓	✓

List of Participants of 2020 Human Rights Due Diligence Workshop

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■ Organizations that Raised Issues

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Mariko Yamaoka	Director, Not for Sale Japan (NFSJ)
Masahiro Koizumi	Director/Secretary General, NPO Sapporo Free School "Yu" (Japan)
Dr. Toyoyuki Kawakami	Japan Representative, Rainforest Action Network
Miki Nishiyama	Development and Communications Services for the Health in Asian and African Regions (SHARE)
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