

October 1st, 2026
Nippon CSR Consortium

Version for Public Consultation

2026 Human Rights Due Diligence Workshop
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 15th Human Rights Due Diligence Workshop in 2026 continued to utilize the Human Rights Guidance Tool developed by the UNEP FI to identify "key human rights issues for each sector". A total of eight workshops were held from June 5th to July 31st in 2026, and this document was compiled. The Consortium applies the Chattam House Rule to promote dialogue through free, open, and in-depth discussions. It should be noted that the participants have developed this document based on their own personal views and not those of the organizations to which they belong. Caux Round Table Japan (CRT Japan), which manages the Nippon CSR Consortium, is solely responsible for the compilation of this document.

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

October 1st, 2026 – October 31st, 2026 (Japan Time)

(2) Submission Address

Please send your comments to CRT Japan’s Nippon CSR Consortium secretariat, by e-mail (info@crt-japan.jp). 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 by Sector (draft)”

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.

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. 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. Handling of Comments

Your feedback will be used as a reference for our future initiatives. Please understand that we cannot provide individual responses to the opinions we receive. The feedback you submit may be published on the web page of the Caux Round Table Japan. However, if the feedback contains information about an individual that could identify a specific person, or if it is determined that publication may harm the property rights or other rights of an individual, corporation, etc., the relevant portions will be redacted before publication.



Hiroshi Ishida
Executive Director, Caux Round Table Japan

Table of Content

1.	Preface	4
1-1.	Purpose of the Human Rights Due Diligence Workshop	4
1-2.	Procedure of the Workshop in 2026	5
1-3.	Points for Consideration	6
2.	CRT Japan's viewpoint as the Secretariat of Nippon CSR Consortium.....	7
3.	Human Rights Issues by Sector (Draft)	
3-1.	Manufacturing Industry (automotive and others)	10
3-2.	Manufacturing Industry (electricity and information).....	15
3-3.	Chemical and Building Materials Industry	20
3-4.	Food and Beverage Industry	22
3-5.	Pharmaceuticals Industry	29
3-6.	Infrastructure Industry	32
3-7.	Consumer Goods Industry	36
3-8.	Appeal Industry	39
Attachment 1: Workshop for Identifying Human Rights Issues		
Attachment 2: Summary of Discussions by Industry (Japanese only)		

1 Preface

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

The Nippon CSR Consortium was established in September 2012 to foster dialogue on human rights issues among companies, NGOs/NPOs, and experts, rather than having businesses operate in isolation. Its goal is to raise awareness of the intersection between business and human rights and to promote human rights-conscious corporate activities. Since its inception, the Consortium has conducted its Stakeholder Engagement Program for 15 years, drawing participants primarily from the corporate sector alongside NGOs/NPOs, academics, and subject-matter experts.

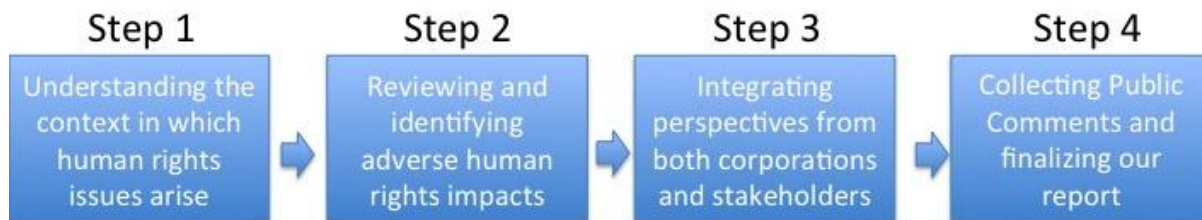
The implementation of this program was driven by the reality that companies face increasing difficulty in determining how to effectively address and incorporate diverse and complex stakeholder expectations into their business operations amid a rapidly evolving social landscape. In response, establishing a platform for regular dialogue and collaboration with stakeholders to identify and prioritize the company's key human rights materiality serves as a highly effective and pragmatic approach within structured corporate management processes. At the same time, this program places the utmost emphasis on a continuous process of engagement and improvement. Because one-off solutions and immediate fixes have inherent limitations, a sustained commitment to risk mitigation from the perspective of Human Rights Due Diligence is essential. Furthermore, as societal expectations and priority of human rights issues are constantly shifting, leveraging stakeholder dialogue to detect early signals of change and flexibly updating strategies will ultimately lead to enhanced sustainable corporate value. The Nippon CSR Consortium positions this Stakeholder Engagement Program as an activity that supports the first component of Human Rights Due Diligence under the UN Guiding Principles on Business and Human Rights (UNGPs) [1]: identifying adverse human rights impacts in which a business may be involved. This foundational step enables individual companies to perform subsequent impact analysis and assessment, (2) take appropriate action, (3) communicate findings, and (4) track ongoing progress.

Presented here are the outcomes of our deliberations conducted since June 2026. We welcome candid feedback on this draft from all relevant stakeholders. Based on the input received, we plan to finalize the Human Rights Issues by Sector (15th Edition) in 2026.

An overview of the program's progress from 2012 through the current fiscal year is summarized in "Attachment 1: Initiatives Toward Identifying Human Rights Issues (Progress Report)."

1-2. Procedure of the Workshop in 2026

The workshop consists of the following four steps.



Step1: (Sessions 1-5)

- Corporate participants attended lectures delivered by civil society representatives from eight domestic and international NGOs/NPOs and expert organizations on the latest international trends and practical challenges surrounding Business and Human Rights. Following the lectures, corporate participants held group discussions to reflect on the findings, culminating in an open plenary discussion with the speakers.

Step2: (Sessions 6-7)

- Building on the Insights from Sessions 1-5, corporate participants engaged in cross-industry group sessions to share and learn about human rights issues and initiatives across different sectors. Subsequently, participants gathered by industry to review, add to, delete, and refine the *Human Rights Issues by Sector (14th Edition)* established in 2025.

Step3: (Session 8)

- Each industry sector presented its preliminary draft to civil society representatives and participated in a feedback discussion. Each industry then reassessed the comments and recommendations received from civil society to finalize its sector-specific findings.

Step4: Collecting Public Comments and finalizing report

- The Secretariat consolidated the findings from each industry sector to release the *Human Rights Issues by Sector (2026 Draft)* for public comment. After incorporating broader public feedback, the finalized and updated *Human Rights Issues by Sector (15th Edition)* will be published around December.

1-3. Points for Consideration

1-3.a Relevance between business operations and human rights

In the early stages of the program, while speakers from participating NGOs/NPOs demonstrated varying levels of depth in understanding how their respective social and environmental issues connected to Business and Human Rights, every organization raised critical concerns with high awareness and dedication. On the corporate side, many participants initially lacked a fully grounded, practical understanding of how their own business operations and supply chains intersected with human rights. However, through repeated dialogue and cross-industry discussions within the program, both sides arrived at a shared realization: environmental and technological issues—such as climate change, water resources, and AI—ultimately resolve into human rights issues directly impacting the lives and rights of workers and local communities. Consequently, NGOs and corporations moved beyond a dynamic of "criticism and defence," building mutual understanding and trust as partners dedicated to jointly visualizing and addressing potential human rights risks within business operations.

1-3.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 CRT Japan's viewpoint as the Secretariat of Nippon CSR Consortium

In this year's program, as corporate human rights and sustainability initiatives pivot decisively from policy formulation and formal compliance toward practical, actionable risk mitigation and remediation, several underlying operational challenges were once again brought into sharp focus. In particular, policies led by executive management or sustainability departments often fail to penetrate business units, domestic and overseas subsidiaries, or operational and procurement sites on the ground. This disconnect - where front-line employees and business partners do not view human rights as a personal responsibility - remains a major barrier to continuous improvement. Moving beyond simple checklist exercises and one-way internal training, companies urgently need to build an enterprise-wide execution structure by fostering mutual understanding through two-way dialogue tailored to operational KPIs and front-line realities. In this regard, the newly introduced "breakout sessions" in this year's program operated exceptionally well. Moving beyond passive knowledge intake through lectures, active dialogue across different industries and peers enabled participants to share real-world operational dilemmas and challenges. This served as a vital opportunity for participants to take personal ownership of these issues and significantly deepen their practical understanding of Human Rights Due Diligence (HRDD).

Regarding the rollout of due diligence across entire supply chains, participating companies across all sectors shared the common challenge that visibility into actual working conditions becomes increasingly difficult as one moves deeper from Tier 1 suppliers to Tier 2, Tier 3, and upstream raw material sourcing. At the most upstream levels - such as mineral resources, agriculture, and forestry - severe risks including child labor, forced labor, and environmental destruction remain latent; yet, front-line operations centered on domestic transactions find it difficult to grasp the gravity of these issues. Furthermore, unilaterally imposing requirements or passing cost burdens onto suppliers risks breaking relationships, while relying solely on signed agreements or self-assessment questionnaires (SAQs) has clear limits in identifying root-cause risks.

Crucially, if raw material and labor cost inflation are not reflected in fair purchasing prices, suppliers and workers across the supply chain are prevented from earning a living wage necessary to maintain a standard of living aligned with prevailing price levels, risking the perpetuation of low wages and harsh working conditions. Therefore, alongside internal mindset shifts in procurement and the establishment of fair trading practices, companies must provide education and collaborative support to suppliers while advancing collective approaches that leverage industry initiatives and shared standards.

The protection of migrant workers' rights and ethical recruitment were discussed as among the most pressing topics facing Japanese companies. Multi-layered challenges were highlighted, including the treatment of agency and foreign workers across domestic and international production, construction, and logistics sites; worker-borne recruitment fees; living wage guarantees; and deficiencies in multilingual health and safety training and access to information. Merely satisfying statutory minimum wages in each country on paper is insufficient; guaranteeing a living wage that enables workers and their families to maintain a healthy and culturally adequate standard of living is essential not only for respecting human rights, but also for sustaining

productivity and supply chain resilience. Moreover, amid legal reforms such as Japan's transition from the Technical Intern Training Program to the Training and Employment System, companies must go beyond simple compliance to proactively ensure transparency among recruitment agencies and foster inclusive workplace environments that eliminate discrimination and xenophobia on the ground.

Furthermore, this year's program offered deep insights into the human rights impacts of emerging challenges, including climate change, water risks, and rapidly advancing generative AI. In particular, the rapid expansion of data centers driven by the widespread adoption of AI is giving rise to emerging risks across both environmental and social dimensions. These include water stress caused by excessive cooling consumption, massive energy demand, and ongoing friction with local communities over facility construction and operation. In pursuing environmental measures such as decarbonization and water conservation, discussions confirmed the critical importance of a "Just Transition" that does not jeopardize the livelihoods of local communities or workers' employment. Simultaneously, new risks are surfacing around AI adoption, including privacy violations, the amplification of bias, and digital divide-driven gaps in information accessibility. Rather than conducting environmental and human rights assessments in silos, an integrated perspective is essential to capture the compound impacts of environmental and technological shifts on front-line workers and local communities.

Building effective grievance mechanisms and engaging in dialogue with civil society are indispensable touchstones for bringing these issues to light and driving remediation. Even when third-party audits or existing whistleblowing channels report "no issues," hidden risks often persist because non-regular workers or foreign staff refrain from speaking up out of fear of retaliation. Establishing accessible remedy mechanisms that everyone can use with confidence, positioning external NGOs and local communities as problem-solving partners, and engaging in transparent disclosure, even regarding unfavorable information—and ongoing dialogue are the true keys to building lasting trust.

The essence of human rights initiatives lies in this very "dialogue with rights-holders." Visualizing human rights issues through this program is merely the first step of due diligence. The next required step is to dig deeper into latent risks through direct dialogue with rights-holders and civil society, translating those insights into effective corrective measures. When issues arise, companies can earn and maintain their Social License to Operate (SLO) only by engaging sincerely with stakeholders, leveraging their corporate expertise and strategy to respond swiftly, and fulfilling their accountability.

In summary, corporate responses to human rights and sustainability have reached a decisive turning point: transitioning from headquarters-led, declaration-based approaches to execution-oriented co-creation with operations, suppliers, and civil society. Enacted European regulations and rising litigation risks are no longer distant threats. For participating companies, success hinges on ensuring that the insights gained from this program are not transient, but are fully integrated into corporate human rights policies, front-line operations, and overall business strategy. Prioritizing key issues and driving prompt remedial actions is the true path to enhancing corporate resilience in an era of uncertainty and delivering sustainable corporate value.

Nippon CSR Consortium

Minoru Matsuzaki

Hiroki Wada

Agenda and List of Issues Raised by Civil Society in 2026 (Titles omitted)

- **"CRT Principles for Business: A Global Pioneer in Emphasizing Dialogue in Corporate Management"**
Hiroshi Ishida, Executive Director, Caux Round Table Japan
- **"Corporate Activities and Workers' Human Rights in Thailand: Focusing on Foreign Workers"**
Akio Kawamura, Former Lecturer, School of Human Welfare Studies, Kwansei Gakuin University / Former Lecturer, School of Social Innovation, Mae Fah Luang University, Chiang Rai
- **"Lessons from Human Rights Impact Assessment (HRIA) Projects in India: Rights-Holder Engagement and Addressing Human Rights Risks"**
Rishi Sher Singh, Business and Human Rights Expert / Advisor to CRT Japan
- **"Migrant Workers' Rights and Protection in Asian Value Chains"**
Dr. Bonny Ling, Executive Director, Work Better Innovations (WBI) / Research Fellow, Institute for Human Rights and Business (IHRB)
- **"Responsible Business Conduct: Due Diligence and Rising Expectations in Europe"**
Dr. Rachel Widdis, Business and Human Rights Expert / Adjunct Assistant Professor, School of Law, Trinity College Dublin
- **"The Stance Required of Japanese Companies Regarding Foreign Worker Issues"**
Shoichiro Ikebe, Executive Officer, Worliding Co., Ltd.
- **"What the 'Corporate Ethical Scorecard' Asks About Corporate Social Responsibility"**
Mariko Yamaoka, Co-Representative, Citizens' Network to Build a Sustainable Society through Responsible Consumption (SSRC)
- **"The Role and Latest Trends of Non-State Actors in Decarbonization"**
Ken Tanaka, Climate and Energy Group (Non-State Actor Engagement), WWF Japan
- **"Water Risks, Business, and Human Rights"**
Kaoru Takahashi, Executive Director, WaterAid Japan

3. Human Rights Issues by Sector

3.1 Manufacturing Industry (automotive and others)

※Value Chain of Manufacturing Industry (automotive and others)

Creation (research, development, design) **Purchase** (equipment construction, procurement), **Production** (production, manufacturing) **Transportation** (storage, logistics)

Sell (sales and marketing) **Use** (consumption, utilization, maintenance and servicing) **Discard** (disposal and recycling)

Human Rights Issues in the Manufacturing Industry (automotive and others)			Specific Concerns	Create	Purchase	Production	Transport	Sell	Use	Discard
Business/	Treatment in the workplace	Working hours or wages	•Wage levels do not match the local cost of living, or wage increases fail to keep pace with inflation. •Low base pay creates a risk that employees must rely on overtime to secure a living wage. •Inadequate wage compensation for unavoidable long-term sick leave, and a lack of support for children when parents are unable to take leave. •Risk of disparities in working conditions and wages within the same corporate group. •Risk of partial non-payment for hours worked (e.g., improper time tracking in remote work, exceeding fixed overtime hours under fixed-overtime systems, rounding down worked time, or rejected overtime requests) and forced labor exceeding statutory limits. •Risk of wage gaps based on employment attributes, such as regular vs. non-regular employees. •Risk of financial hardship for employees due to wrongful termination, which may also trigger risks of child labor. •Consequences of labor reform laws (e.g., reduced income, increased workload, and deteriorating health for daily-wage or commission-based workers in trucking and construction due to capped working hours). •Failure to engage in price negotiations with suppliers, risking that suppliers' employees cannot secure a living wage that reflects rising living costs. •Risk that a living wage cannot be guaranteed depending on the presence or absence of benefits and social security coverage. •Risk of construction delays caused by soaring material prices from naphtha shortages, leaving workers without income during the downtime. •Large enterprises resolve labor shortages by boosting pay (such as night-shift allowances), while small and medium-sized enterprises (SMEs) cannot afford pay raises and remain understaffed. •Risk of wage gaps based on whether a position requires job relocation, posing compliance issues under equal pay for equal work principles.	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	•Risk of sub-contractors resorting to long working hours or wage cuts due to prime contractors passing on increased raw material and energy costs driven by geopolitical shifts or global economic conditions, or imposing duties without reasonable grounds. •Risk of excessive overtime caused by production adjustments that prioritize strict deadlines. •Risk of overwork among salaried staff and unmonitored management personnel exempt from hour tracking. •Risk of long working hours resulting from a lack of appropriate capital investment in facilities and equipment. •Risk of long working hours and excessive workloads driven by labor shortages due to inadequate staffing allocations. •Risk of long working hours for preparation and operational staff of major international events due to special, irregular assignments and tight deadlines. •Risk of encouraging illegal labor practices by placing short-deadline orders with suppliers. •Risk of long peak-season working hours for independent contractors (such as carpenters and interior finishers) due to an inability to level out order volumes. •Risk of excessive workloads generated by inadequate headcount. •Risk of forced long working hours to handle urgent customer demands, such as software bug fixes or recall responses. •Risk of long working hours caused by excessive quotas (partly driven by a lack of order smoothing on the client's end) or staffing shortages. •Risk of overtime work generated by troubleshooting and correcting AI system flaws. •Risk of long working hours caused by an increase in overseas meetings resulting from business globalization. •Risk of industrial accidents resulting in death or severe injury, particularly in research labs, manufacturing sites, and factory floors. •Risk that occupational injuries occurring during telework are not recognized. •Risk of inadequate personal space and unsanitary living conditions in employee dormitories. •Risk of health damage caused by working in environments that fail to meet safety and health standards. •Human rights violations related to remote work (e.g., encouragement of long hours, negative impacts on the physical and mental health of workers and their children, isolation or exclusion due to lack of communication, lack of utility allowances, privacy violations or personal data leaks via monitoring tools, unfair performance evaluations, and forcing workers to commute despite requesting remote work). •Risk that foreign workers cannot access essential safety and health information, such as evacuation routes, due to insufficient multilingual support. •Risk of disparities in safety and health training opportunities based on employment type, nationality, race, gender, age, educational background, or length of service. •Risk of compromising equal rights to participate in the local community due to a lack of inclusion, inadequate living support, or insufficient information sharing. •Risk that failure to encourage migrant workers to join open communities leads them to join closed networks, increasing the risk of missing persons or involvement in crime. •Negative physical and mental impacts caused by the failure to grant proper rest periods and leave. •Work environments that pose risks to pregnant/nursing mothers and their children (especially in factories and site operations), inadequate consideration for female-specific health changes like menstruation, and failure to accommodate individual physical differences (e.g., safety shoes available only in men's sizes, making them heavy and impractical for women). •Health damage and heatstroke caused by working under extreme heat (due to failure to uphold the duty of care), as well as compound safety and health risks during disasters (e.g., a major earthquake occurring during extreme heat waves). •Risk that the safety of food served in company cafeterias is not guaranteed. •Inadequate health management resulting from the introduction of side jobs or secondary employment. •Risk of violating the safety and dignity of women and sexual minorities (LGBTQ+) due to a lack or complete absence of dedicated restrooms and changing rooms at construction sites or workplaces. •Restrictions on employee freedom of movement (e.g., dorm curfews and locking doors) that may hinder emergency evacuations. •Physical and mental harm caused by unreasonable customer demands and abuse (customer harassment). •Risk of triggering further human rights violations by attempting to justify customer complaints. •Risk of mental health issues among livestock workers caused by psychologically demanding tasks such as slaughtering. •Risk of serving food from farms that do not consider animal welfare (i.e., lacking traceability and posing higher risks of carrying pathogens) in order to keep prices low at company cafeterias. •Risk of failing to provide proper safety and health training tailored to specific work environments. •Risk of failing to consider animal welfare or religious requirements in cafeteria food (e.g., using meat from livestock raised or processed under cruel conditions, or serving non-Halal meat to Muslim employees). •Inability to use break rooms because they are blocked by materials (arising from a gap in awareness between field sites and management). •Risk of failing to provide reasonable accommodation for an individual's religion or beliefs (e.g., prayer space requirements vary by country and religion, ranging from a single mat to larger areas). •Risk of human rights violations against workers or local residents by security personnel. •Gender discrimination in assigning hazardous tasks to men instead of women (where the focus should instead be on eliminating dangerous processes altogether). •Risk of causing negative impacts on stakeholders during the raw material processing and manufacturing stages.	✓	✓	✓	✓	✓	✓	

Community	Resources/ Community	Use of Natural Resources	• Risk of excessive resource extraction in upstream supply chains caused by developing, designing, logistics, or selling products with high environmental impacts (e.g., high electricity consumption, low recyclability). • Risk of consuming vast amounts of resources during the installation, operation, and replacement of renewable energy power facilities. • Risk of generating negative environmental impacts during the manufacturing of eco-friendly products. • Risks associated with business activities such as facility construction, operations, resource extraction, and raw material procurement, including the destruction of forest, marine, and river ecosystems, water pollution, misuse of land and resources, adverse impacts on local communities (including divisions between supporters and opponents), and retaliation against opposing residents or human rights defenders (including human rights impacts). • Risk of increasing local water stress during overseas manufacturing (virtual water issues). • Risk of renewable energy resources being monopolized by a few dominant companies. • Risk of child labor or forced labor occurring at rare metal mining sites due to semiconductor shortages. • Risk of resource wastage due to a lack of capital investment in facilities. • Risk of contributing to environmental destruction by using leather produced through high-impact tanning processes. • Risk of actual "washing" (e.g., greenwashing) occurring—while claiming to solve social issues like labor shortages, CO2 reduction, or health and safety through business operations—due to insufficient supporting data or a lack of dialogue with local communities. • Risk of hazardous substance emissions and water or soil contamination during the mining and refining of scarce resources, severely impacting the health of local residents and ecosystems. • Risk that corporate water usage (e.g., cooling water for data centers) leads to water scarcity, depriving local residents of access to safe water and sanitation, worsening hygienic conditions, and negatively impacting local industries like agriculture. • Harsh working conditions and environmental destruction occurring during waste disposal and management	✓	✓	✓	✓	✓	✓
		Climate Change	• Risk of forced migration and heightened disease risks caused by the impacts of global warming. • Risk of adverse impacts on local communities stemming from the use of renewable energy or biomass resources (e.g., environmental burdens from power plants, or contributing to deforestation through palm oil usage). • Risk of massive power consumption caused by data center operations associated with AI technology utilization and digital transformation (DX). • Risk of accelerating climate change due to increased plastic production and consumption. • Risk that the rights of individuals affected by corporate climate change mitigation and adaptation efforts are not protected (the challenge of a "Just Transition" toward a decarbonized society). • Risk that local communities are impacted by shifts in plant and animal habitats driven by climate change. • Risk of increased susceptibility to heatstroke in extreme-heat regions due to high temperatures and water shortages.	✓	✓	✓	✓	✓	✓
		Disposal	• Risk of generating microplastics through business operations. • Risk that improper waste sorting hinders the efficient use and recycling of resources. • Risk that subsidiaries or suppliers engage in improper waste management or disposal, leading to resource wastage and environmental destruction. • Risk of improper disposal by clients or end consumers (e.g., marine plastic pollution, increased processing burden at waste treatment facilities, and illegal dumping). • Risk of improper disposal occurring during the upgrading, replacement, or decommissioning of renewable energy facilities. • Risk of food loss from ingredients provided in company cafeterias (e.g., overproduction caused by a lack of coordination with catering contractors during anticipated factory shutdowns due to disasters). • Risk of a rapid increase in waste driven by the surge in takeout services. • Risks to the environment and local residents caused by improper management and disposal of hazardous waste. • Risk to the health of demolition workers due to hazardous materials such as scattering asbestos during ship recycling, as well as risks involved in dismantling solar panels and batteries. • Risk of negative impacts on the environment and local residents at the time of disposal, stemming from product design choices.	✓	✓	✓	✓	✓	✓
		Public Safety	Contribution of antisocial behavior • Risk that funds, products, or services flow to non-governmental armed groups or insurgent forces during raw material procurement or product disposal (e.g., conflict minerals). • Risk that a portion of wages flows to organized crime groups or armed forces during labor or material procurement (e.g., in cases involving missing technical intern trainees). • Risk of logistics disruptions caused by landmines or explosive devices deployed in conflict-affected areas. • Risk that increased capital requirements for foreign business owners in Japan leave individuals affiliated with non-compliant companies with nowhere to go. • Risk of information assets being exploited or misused through cyberattacks. • Risk of deteriorating public safety and security stemming from the vacant house (akiya) problem.	✓	✓	✓			✓
		Access to land	Ownership to land • Risk of forced relocation of Indigenous peoples and local communities during mining development, forest clearing, or land acquisition for business projects. • Risk of indirectly contributing to local human rights violations by using timber sourced from illegally deforested areas that infringe upon Indigenous rights in products or manufacturing processes. • Risk of permanently impairing land value through pollution, degradation, or scenic damage caused by mining, clear-cutting, facility construction, or business operations. • Risk of health hazards to Indigenous peoples and local communities caused by the spread and infection of viruses due to land development. • Risk that disused solar panels are left abandoned due to business bankruptcies or corporate failures. • Risk of threatening the livelihoods of local residents as a result of land use that fails to account for environmental resilience, adaptability, and aging over time (e.g., the Atami mudslide incident). • Risk of environmental contamination in surrounding areas due to rare metal or gold mining, causing harm to local communities. • Risk that land use negatively impacts the local environment and surrounding ecosystems (e.g., water availability, animal habitats).	✓	✓				
Society and Government	Relationship with Government	Bribery and Corruption	• Risk of complicity in bribery or corrupt practices, such as facilitation payments, particularly when obtaining permits or licenses. • Risk of involvement in illegal or improper acts, including bribery during contracting, customary industry collusion in transaction and operational models, or corrupt practices when securing government contracts. • Risk of indirect complicity in military regimes through actions like donations made to military regimes by affiliated or invested foreign companies. • Risk of corruption and bribery to prevent logistics and transport disruptions.	✓	✓	✓	✓	✓	✓
		Relationships with countries with high human rights risks	• Risk of complicity in human rights abuses when operating in countries or regions with gaps between local laws/customs and international standards. • Risk of indirectly supporting military regimes by paying airport usage fees when operating in or using airports within military-controlled states. • Risk arising from the assumption that Japan is low-risk for human rights violations, or that discrimination is nonexistent or negligible in Japan. • Risk that conducting business in countries with high human rights risks benefits the regime, resulting in negative impacts on local citizens or opposing nations and ethnic groups. • Risk that complicity in human rights abuses leads to boycotts or business downsizing, preventing the delivery of products and services to customers (impacting stakeholder relations and people). • Risk of contributing to human rights violations by operating without a proper understanding of a host country's history (such as past invasion or persecution). • Risk that commercial facilities built on military-owned land generate revenue that serves as a funding source for military regimes. • Risk of failing to assess negative impacts when terminating or suspending business relationships (responsible exit/divestment). • Risk that "Heightened Human Rights Due Diligence" outlined in international norms is not properly conducted. • Risk of indirectly contributing to human rights abuses by procuring from state-owned enterprises or state-backed entities in high-risk countries.	✓	✓	✓	✓	✓	✓

Others	Relationship with Consumers	Health and Safety, Privacy, Accessibility	• Risk of causing harm to consumers' lives, health, or property due to defects in products or services, improper marketing activities, or failure to disclose information appropriately. • Risk of violating individual human rights if personal information obtained through business processes is not managed properly. • Risk of worsening damage when human rights violations occur due to delayed responses. • Risk of exacerbating the digital divide as procedures and services increasingly move online. • Risk that foreign residents cannot access essential life infrastructure due to a lack of multilingual support for various administrative and service procedures. • Risk of causing inconvenience or danger to consumers due to insufficient consideration for consumer needs (e.g., child safety locks, multilingual support, wheelchair accessibility, and accident prevention features). • Risk of driving up costs and increasing waste due to unstandardized industry specifications for containers and packaging. • Risk of confidential information leaks and copyright infringement resulting from the widespread adoption of AI technology (including AI-driven cyberattacks). • Risk of privacy violations, impacts on labor practices, and ethical concerns arising from data collection. • Risk of health damage caused by chemical substances (such as VOCs) emitted from products. • Risk that consumers lose access to essential products and services due to a company's withdrawal from a market (e.g., in conflict-affected regions). • Risk of violating the human rights of employees handling customer service (customer harassment) by failing to set clear boundaries when addressing unreasonable customer demands. • Risk of corporate sports team athletes facing slander, harassment, or defamation on social media.	✓	✓	✓	✓	✓
		Ethical consumption	• Risk of imposing a psychological burden on users (= violating their right to consume ethical products) by unknowingly providing products or services that violate human rights or animal welfare. • Risk of animal welfare issues related to the farming conditions of livestock (such as cattle) supplying leather in developing countries, as well as risks of forced labor involving child and migrant workers in leather processing facilities (particularly subcontracted tanning factories), given the heavy use of leather products in automotive supply chains (steering wheels, seats, interior trimming, etc.). • Risk of workers suffering severe health issues (dermatological conditions, respiratory disorders, cancer, etc.) during leather tanning and processing due to exposure to hazardous chemicals (e.g., hexavalent chromium) and a lack of safety equipment, or local residents facing health damage and loss of land rights/livelihoods due to untreated toxic wastewater contaminating local rivers and groundwater.					
	Relationship with Consumers	Advertising	• Risk of human rights violations in advertising and promotional activities. • Risk of causing discomfort or misunderstanding among consumers, negative impacts on children, reinforcement of discrimination, bias, and stereotypes (e.g., pairing minicars with women and sports cars with men), or health hazards due to misleading information resulting from improper advertising and communication. • Risk that consumers unknowingly contribute to environmental destruction or human rights abuses by developing false impressions through corporate greenwashing and similar practices. • Risk of inappropriate demographic profiling in taxi in-cabin video ads (systems that automatically infer passenger traits to serve targeted ads), leading to criticism from groups such as LGBTQ+ advocacy organizations.			✓	✓	
	Complicity	Use or misuse for other purposes	• Risk that advanced camera features (such as AI capabilities) are used for sexual exploitation, including secret filming and child sexual exploitation. • Risk that surveillance cameras and monitoring systems are utilized in forced labor facilities. • Risk of products or platforms being exploited for social media-driven crimes. • Risk of misuse outside intended applications for vehicles and drones, such as unauthorized modifications to autonomous vehicles, conversion into weaponry, or illegal alterations for malicious purposes. • Risk of stalking harassment enabled through the misuse of smart tags (IC tags). • Risk of consumer harm, such as explosions or the generation of toxic gas, when chemical products or detergents are transferred to improper non-designated containers. • Risk that 3D printers are used to manufacture weapons or items that cause human rights violations. • Risk of high-precision scanners being used to produce counterfeit currency. • Risk of physical or mental harm resulting from unauthorized or off-label product usage. • Risk of personal data leaks or confidential corporate information exposure caused by employees using generative AI tools. • Risk that biometric technology, such as facial recognition, is deployed without appropriate user consent. • Risk that personal photos and media are manipulated for deepfake creation without authorization.				✓	
	Remedy	Establishment of a remediation process	• Risk that the effectiveness of the grievance process is not guaranteed due to inadequate establishment of remedy mechanisms and processes, as well as a lack of third-party monitoring. • Risk that perpetrators penalized through report channels cause repeat offenses in a different location or position. • Risk of pressure or leaks of reporting details when reports contain information detrimental to the company. • Risk that stakeholders feel unsafe using the system due to insufficient disclosure of handling processes and track records (fearing cover-ups or retaliation). • Risk that the system is not safe or accessible to use due to the absence of an anonymous reporting mechanism, or a failure to ensure awareness and accessibility across all stakeholders, including the entire corporate group and supply chain. • Need for support mechanisms targeting individuals facing specific barriers, such as language hurdles or limited access to remedy channels. • Risk of insufficient consultation with intended users, such as victims and human rights defenders, regarding the design and performance of the grievance mechanism. • Risk of failing to clearly inform users about available processes, including estimated response and processing timelines. • Risk that workers miss opportunities for remedy because it has not been clearly communicated that all employees can use the mechanism regardless of employment status. • Risk that workers miss opportunities for remedy due to a lack of access to environments with phones or computers.	✓	✓	✓	✓	✓

3.2 Manufacturing Industry (electricity and information)

※Value Chain of Manufacturing Industry (electricity and information)

Creation(research, development, design) **Purchase** (construction of facilities, procurement) **Production** (manufacturing) **Transportation** (storage, logistics)

Sell (sales and marketing) **Use**(consumption, utilization, maintenance and servicing) **Discard** (disposal and recycling)

Human Rights Issues in the Manufacturing Industry (electricity and information)			Specific Concerns	Value Chain					
				Create	Purchase	Transport	Use	Discard	
	Treatment in the workplace	Working hours or wages	•Risk of minimum wages not being in line with local living standards, leading to long working hours •Risk of not being able to guarantee a proper place to stay if parents are unable to take leave. •Risk of overtime due to production adjustments (prioritizing delivery dates) and troubleshooting •Possible lack of proper management of working hours due to remote work and discretionary work (Separation of work and private life). •Possible truncation of working hours (problem of rounding down fractions of working hours) •Failure to properly report working hours may result in the failure to pay proper compensation (wages). •Risk of wage disparity affecting children's future education •Risk of long working hours and lower wages for subcontractors due to the transfer of increased raw material and energy costs to subcontractors as a result of geopolitical changes •Particularly in Japan, the risk of unpaid overtime ("service overtime") and long working hours, including excessive workloads for managers (middle management) •Improper application of the discretionary labor system or "deemed management" status (e.g., exceeding statutory or prescribed working hours or deemed overtime hours without payment of overtime wages) •Risk that wage disparities within group companies may result in failure to uphold the principle of equal pay for equal work, even under equivalent working conditions and employment types •Risk that not introducing new equipment or technologies may lower productivity and lead to longer working hours •Risk that wages not aligned with the cost of living in the worker's country or region may prevent a basic standard of living (e.g., leading to malnutrition or loss of children's educational opportunities) •Risk of declining living standards if wages do not rise in line with increases in the cost of living (e.g., food, daily necessities, energy)	✓	✓	✓	✓	✓	✓
		Continuous employment, working environment	•Risk that terminating transactions with a supplier due to human rights issues may lead to reduced production at the supplier, resulting in wage cuts or layoffs •Risk of human rights violations from transfers or relocations that disregard the employee's wishes (e.g., mandatory assignments requiring workers to live apart from their families) •Risk of human rights violations from transfers, relocations, or unemployment due to the inability to perform remote work •Risk that changes to transfer conditions under the current Technical Intern Training Program (to be transitioned to the Development Employment Program) may cause participants who cannot acquire skills within a short period (e.g., one year) to easily lose their jobs or face harsh employment conditions and living environments •Risk of overlooking inappropriate wage reductions or unfair dismissals by relying solely on desk-based research to understand actual employment practices and working environments •Risk that insufficient support for improving Japanese language skills may ultimately result in no improvement in treatment or working conditions						
		Health and Safety (1) Physical, hard, working environment (2) Mental (3) Health (4) Education	(1) Risk that failure to properly update old production equipment and technologies may result in occupational accidents causing death or serious injury, particularly in research, manufacturing, and factory settings (1) Risk of occupational accidents occurring during telework (e.g., due to insufficient safety measures, differences in work environments causing health problems, or disruption of daily routines) (1) Risk that living conditions such as shared dormitory rooms with multiple occupants and inadequate sanitary facilities may adversely affect workers' physical and mental health (1) Risk that deficiencies in showers, toilets, and other facilities; location of dormitories within factory premises; or locked management from the outside may negatively impact employees' health (1) Risk that emergency exits, evacuation drills, and other measures do not meet global occupational safety and health standards (1) Risk that insufficient or superficial occupational safety and health training increases the likelihood of serious workplace accidents (1) Risk that occupational safety is not ensured for migrant workers due to the lack or insufficiency of multilingual manuals and evacuation route information (1) Risk that blurred boundaries between work and private life result in reduced personal time for workers (1) Risk that the safety of employees and accompanying family members is not ensured in countries experiencing pandemics or conflict (1) Risk that the safety of employees engaged in on-site work (e.g., manufacturing) that cannot be performed remotely is not ensured during pandemics (1) Risk of inadequate labor and care environments for pregnant and nursing workers (e.g., handling heavy objects, working with hazardous substances, lack of nursing rooms or childcare support) (1) Risk of inadequate labor and care environments for elderly workers (e.g., handling heavy objects, insufficient measures to prevent falls) (1) Risk that insufficient consideration for religious needs, such as prayer rooms, prayer times, and dietary requirements (e.g., halal) (1) Risk of failing to confirm or provide reasonable accommodation for an individual's religion or beliefs (such as prayer space, prayer times, and dietary needs) through dialogue with the person. (1) Risk that the lack of a work environment accommodating sexual minorities (LGBTQ+) may prevent workers from being able to work with a sense of security (2) Long working hours may cause employee health care problems, especially mental health. (2) Lack of communication due to remote work may lead to alienation and exclusion from the workplace. (2) Risk of not being recognized as workers' compensation in the event of injury or illness while working remotely. (2) Risk of having to bear the increased utility costs associated with remote work (compensation for telecommuting allowance) (3) Risk of progression of illness due to lack of medical checkups (3) Risk of progression of occupational disease due to lack or non-use of protective equipment such as finger sacks, gloves, masks, ear plugs, etc. (3) Likelihood of remote work becoming a regular occurrence and the accompanying long-term work environment not being maintained (e.g., illness under illness) (3) Possible inability of migrant workers to properly access medical care due to language barriers (3) Possible increase in the number of heat stroke victims due to heat waves caused by rising temperatures resulting from climate change (3) Risk of increased risk of diseases due to various environmental changes caused by climate change (4) Likelihood that insufficient consideration is given to the treatment of foreign workers in terms of language issues, such as guidance and awareness of safety and health aspects (4) Risk that migrant workers are not sufficiently considered in safety and health guidance, communication, and awareness-raising due to language barriers (4) Risk that migrant workers are not provided with equal and fair opportunities in education, employment, wages, and living conditions (4) Risk that long working hours deprive employees of opportunities for education and training (4) Risk of disparities in educational opportunities arising from differences in employment type, nationality, race, gender, age, educational background, or years of service (4) Risk that educational curricula generated by AI with biased perspectives may unintentionally promote discrimination or false perceptions (4) Risk that the lack of multilingual educational opportunities prevents migrant workers from obtaining equal and fair opportunities to acquire skills (4) Risk that employees are unable to keep up with rapid technological advancements in skill acquisition, wages, and promotions due to the lack of appropriate opportunities to learn and utilize the latest technologies, such as generative AI, necessary for job performance (1)-(4) Risk that children's healthy lives are impaired due to parents' long working hours	✓	✓	✓	✓	✓	✓

Business/ Supply Chain	Discrimination	At time of hire/employment	• Risk of receiving unequal treatment in working conditions, training/vocational development, and promotion opportunities. • Discrimination against infected individuals or unvaccinated persons. • Risk that discrimination against a worker's occupation extends to discrimination against their children. • Discrimination based on differences such as race, skin color, gender, age, nationality, presence of disability or illness, marital status, sexual orientation, gender identity, religion, place of residence, or origin. • Risk of failing to provide reasonable accommodation for persons with disabilities (e.g., installation of ramps, or facial recognition system accommodations for visually impaired individuals). • Various types of harassment (e.g., sexual harassment, power harassment, remote work harassment, SOGI harassment, maternity harassment, moral harassment, customer harassment, technology harassment). • Risk that AI models learn and reinforce latent human biases from training data (including TMS issues). • Risk of unfair treatment resulting from AI predictions regarding employee turnover or job offer rejections. • Risk of employee privacy violations caused by AI-driven workplace surveillance. • Risk of violating employee privacy by corporate monitoring or management of vital health data (such as sleep metrics). • Risk that personnel using AI tools for recruitment or performance evaluations fail to make appropriate judgments, unintentionally reinforcing discrimination. • Risk that transparent evaluation is compromised due to reliance on AI tools or opaque assessment criteria, undermining fairness in wages and promotions and leading to unjust discrimination or disparities. • Risk that downplaying cases of discrimination or harassment leads to secondary victimization and further human rights violations in the workplace. • Risk that technical intern trainees suffer adverse treatment, such as dismissal or forced repatriation, due to marriage, pregnancy, or childbirth. • Risk that technical intern trainees are denied rights to maternity leave, childcare leave, or reduced working hours. • Risk of unequal evaluation during recruitment driven by unconscious bias. • Risk of deliberate discrimination during recruitment based on gender, sexual orientation, gender identity, disability, physical appearance (facial photos), or educational background. • Risk of inequality or unfairness caused by a failure to provide recruitment information in multiple languages to migrant workers. • Risk of perpetuating past discrimination by using previous salary levels as a reference during hiring (where prior compensation may reflect discriminatory practices). • Risk that consumers lose access to essential products and services due to a company's withdrawal from conflict-affected regions. • Risk that low awareness of ESG issues among general employees leads to corporate activities that cause human rights violations. • Risk that while working conditions for internal or directly employed technical intern trainees are monitored, the actual situation of trainees across the supply chain remains unmonitored, leading to improper employment terms and working environments. • Risk of lost professional opportunities due to gender bias (e.g., being excluded from business trips or overseas assignments, including the "mommy track"). • Risk of overlooking issues such as improper wage deductions or wrongful dismissals by relying solely on desk audits rather than directly assessing field employment practices and working environments. • Risk of unequal promotion practices from a diversity perspective (e.g., shifts in demographic ratios from entry level to leadership positions). • Risk that failure to improve industry image results in fewer career opportunities for women (e.g., using industry characteristics as an excuse for insufficient promotion of female role models or clear career images through life events). • Risk of narrowing career choices for older adults based solely on advanced age. • Risk that post-retirement rehires receive lower wages despite performing unchanged job duties, violating the principle of equal pay for equal work. • Risk that mandatory retirement ages or managerial retirement age systems constitute age discrimination. • Risk of rising unemployment rates as existing jobs are replaced by advancements in AI. • Risk that insufficient accommodation for pregnant employees and new mothers deprives women of employment and career development opportunities. • Risk of unequal treatment (e.g., regarding leave, monetary gifts) due to company policies failing to recognize and include LGBTQ+ partners. • Risk that corporate DEI initiatives are negatively impacted by shifts in DEI policies in influential countries or regions, resulting in lost recruitment and promotion opportunities for targeted talent. • Risk that mandatory dress codes infringe upon freedom of expression and reinforce gender bias (e.g., requiring uniforms only for female employees). • Risk that benefits and new employment opportunities arising from decarbonization and digitalization become concentrated in specific regions or demographics, driving new disparities and inequalities.	✓	✓	✓	✓	✓	✓
	Child labor	(1) Minimum age (2) Handling of young workers	(1) Risk of child labor and the brokering of children by intermediaries within the supply chain, including at mineral mining sites (1) Asian workers may apply for employment by falsifying their age (2) Possible risk of having them engage in night work or hazardous work	✓	✓	✓	✓	✓	✓
	Forced labor	Recruitment	• Risk that migrant workers fall into forced labor conditions after incurring debts from paying recruitment fees and related expenses to sending agencies or intermediaries. • Risk of debt bondage among foreign technical intern trainees. • Risk that workers take up employment without fully understanding contract terms due to a lack of adequate explanations in their native language during recruitment. • Risk of discrepancies between the working conditions explained during recruitment and actual employment terms. • Risk of unintentional involvement in criminal activities ("dark side" illegal jobs) through the misuse of high-anonymity communication apps. • Risk that multiple tiers of intermediaries obscure accountability, making it difficult to address and remedy human rights violations.			✓	✓		✓
		Employment	• Risk of forced labor occurring within the supply chain, including at mineral mining sites • Risk that excessive demands on suppliers, such as orders with extremely short delivery deadlines, may lead to long working hours amounting to de facto forced labor • Risk that continued use of products manufactured through forced labor may prevent improvement of the situation and further worsen or perpetuate the practice of forced labor	✓	✓	✓	✓	✓	✓
	Impact on local communities		• Risk that environmental destruction caused by activities such as mineral mining or deforestation may negatively affect the culture, livelihoods, and health of surrounding local communities	✓	✓	✓			
	Supply Chain		• Risk of failing to monitor actual working hours, improper employment terms, and human rights violations among Tier 2 and lower suppliers due to multi-tiered subcontracting structures. • Risk of indirect involvement in forced labor and human rights violations affecting migrant workers in overseas contract manufacturing and ICT equipment production processes. • Risk of low-wage labor and psychological trauma from exposure to harmful content in data annotation tasks supporting AI development and operations. • Risk of insufficiently monitoring and understanding the human rights conditions of migrant workers across the supply chain. • Risk of failing to identify occupational health and safety issues at vendors managing cloud services or data centers. • Risk of leaks of customer and user personal or confidential data stemming from inadequate cybersecurity measures along the supply chain. • Risk of causing negative impacts on local employment by prioritizing immediate termination of business relationships with non-compliant suppliers rather than providing adequate remediation support. • Risk that unilateral cost-shifting and tight deadlines for decarbonization, AI implementation, and security enhancements force lower-tier suppliers into long working hours, reduced wages, and employment insecurity. • Risk of disrupting citizens' daily lives and rights due to outages or malfunctions in critical social infrastructure, such as government services, finance, and healthcare. • Risk of overlooking human rights violations by relying solely on paper audits and certifications to assess compliance. • Risk of missing real human rights impacts undetectable through desk audits by failing to conduct on-site verifications and direct dialogue with rightsholders.	✓	✓	✓	✓	✓	✓
Business/ Supply Chain	Freedom of association		• Risk of insufficient dialogue and communication with worker representatives or labor unions. • Risk that labor-management consultations and collective bargaining are inadequately institutionalized or operated, or that collective bargaining rights are formally recognized but unexercised in practice. • Risk that workers' rights are not fully secured under a union shop system. • Risk that workers' rights are insufficiently protected in countries or regions where the formation or activities of labor unions are prohibited (including practical/effective bans, particularly at overseas subsidiaries), or that labor unions fail to protect employees (failing to fulfill their proper role). • Risk of infringing upon migrant workers' freedom of association. • Risk that freedom of association and collective bargaining rights are not adequately explained to migrant workers, preventing them from exercising these rights in practice. • Risk that language and cultural barriers hinder workers from voicing concerns or seeking consultation. • Risk in Japan where bargaining with management is primarily handled by enterprise-based unions, making them more susceptible to corporate influence compared to industrial unions and potentially leaving workers' rights inadequately protected. • Risks associated with unprotected labor rights among freelancers, delivery drivers, retail workers, and similar employment arrangements.	✓	✓	✓	✓	✓	✓

Community	Resources/ Community	Resource Use	• Risk of encouraging excessive resource extraction in the upstream supply chain and negatively impacting local communities by developing, designing, transporting, or selling products with high environmental impacts (e.g., high electricity consumption, low recyclability). • Risk of harming the health and livelihoods of local residents near operational sites due to the misuse or pollution of water and land, excessive resource extraction, and ecosystem destruction caused by factory operations or local construction. • Risk of contributing to environmental degradation and human rights violations by using energy or resources mistakenly assumed to have a low environmental impact when the impact is actually high. • Risk of adversely impacting local communities through the use of renewable energy or biomass resources (e.g., environmental burdens from power plants, or encouraging deforestation through palm oil usage). • Risk of generating massive electricity consumption through the circulation and use of cryptocurrencies. • Risk of impacting local cultures and community livelihoods due to forest and marine ecosystem destruction stemming from raw material procurement. • Risk of animal welfare violations linked to raw material procurement (e.g., leather used in cases and accessories). • Risk of disrupting local ecosystems and adversely affecting the livelihoods of local residents through the construction and operation of business facilities. • Risk of causing ongoing negative impacts on the global environment and human lives by failing to reassess the environmental footprint of business operations. • Risk of causing adverse effects on the environment and human livelihoods during the manufacturing process of eco-friendly products. • Risk that natural energy resources are monopolized by a few dominant companies, preventing necessary energy access for people in need. • Risk that the massive energy consumption required for generative AI development and deployment deprives local residents, including impoverished and vulnerable populations, of access to essential energy resources. • Risk of over-relying on third-party certifications, leading companies to overlook human rights risks occurring in practice. • Risk of contributing to human rights abuses by increasing reliance on rare metal mining sites associated with child labor or forced labor (and lacking proper certifications) to counter raw material shortages caused by semiconductor scarcity. • Risk of adversely affecting the livelihoods of local residents due to environmental destruction caused during the installation and disposal of solar panels. • Risk of increasing local water stress during overseas manufacturing (virtual water issues). • Risk that inefficient water usage for purposes such as data center cooling leads to water scarcity, depriving communities of access to necessary water resources. • Risk of heightened disease risks driven by the impacts of global warming. • Risk of increasing numbers of refugees and social assistance recipients as climate-induced sea-level rise, floods, and heavy rainfall cause widespread loss of housing. • Risk of infringing upon rights to water access due to climate-driven water shortages. • Risk of food shortages resulting from reduced agricultural yields caused by climate-driven droughts. • Risk of encouraging human rights violations and environmental destruction in mining regions due to surging demand for critical minerals (lithium, cobalt, nickel, rare earths, etc.) driven by decarbonization and AI expansion. • Risk of violating the land and livelihood rights of Indigenous peoples and local communities by failing to secure Free, Prior, and Informed Consent (FPIC) and adequate dialogue prior to critical mineral mining. • Risk of causing land-use conflicts and opposition from local communities during the development and installation of renewable energy infrastructure.	✓	✓	✓	✓	✓	✓
		Disposal	• Risk of environmental pollution, deteriorating sanitation conditions, and health hazards for local residents stemming from business activities, product lifecycles, and waste handling: - Generation of microplastics through business operations. - Low recycling rates despite waste sorting practices. - Rapid increase in waste and plastic refuse driven by the expansion of takeout services. - Improper usage or disposal by clients, end consumers, and recycling contractors (e.g., marine plastic pollution, increased operational burdens at waste treatment facilities). - Stagnant plastic reduction progress due to insufficient adoption of reuse systems. - Exposure of contracted workers to hazardous substances and sub-standard working conditions during the disposal, dismantling, and recycling processes of electronic devices, servers, and batteries.	✓	✓	✓	✓	✓	✓
		Migrant / minority workers	• Risk that migrant or minority workers become excessively insular by immersing themselves exclusively in closed communities. • Risk that migrant or minority workers face social isolation due to an inability to integrate into local communities. • Risk that migrant or minority workers are exploited for political agendas, fueling discrimination and social division. • Risk that a lack of engagement with the local community prevents migrant or minority workers from adequately accessing livelihood support and public services. • Risk that climate-induced migration surges lead to heightened discrimination, labor exploitation, and social exclusion targeting displaced populations.	✓	✓	✓	✓	✓	✓
	Public Safety	Involvement in security and anti-social organizations	• Risk that funds, products, or services flow to non-governmental armed groups or insurgent forces during raw material procurement or product disposal (e.g., conflict minerals). • Risk that a portion of wages flows to organized crime groups or armed forces during labor procurement (e.g., in cases involving technical intern trainees). • Risk of logistics disruptions affecting the supply of food and daily necessities to local residents due to deteriorating security in conflict-affected regions. • Risk of increasing crime driven by the misuse of generative AI (e.g., misinformation via fake news, fraud, defamation, and copyright infringement).	✓					✓
	Climate Change	Impact on human rights by climate change	• Risk of accelerating climate change due to increased power consumption by data centers driven by expanding AI adoption. • Risk of impacting local residents' access to water due to massive water usage required for data center cooling. • Risk of complicity in child labor or forced labor during the extraction of critical minerals used in semiconductors, servers, and related hardware. • Risk of impacting access to energy for vulnerable populations as energy demand surges from expanding AI and cloud service usage. • Risk of causing health hazards to local residents from hazardous substances due to improper disposal and handling of electronic waste. • Risk of imposing excessive physical burdens on workers during emergency response operations in extreme heat. • Risk that climate disasters—such as typhoons, heavy rain, flooding, and heatwaves—disrupt ICT services (including communications, cloud computing, payment platforms, government services, and healthcare), impairing access to essential information and daily living services.	✓	✓	✓	✓	✓	✓
		Climate Justice	• Risk that climate change impacts (extreme heat, flooding, water scarcity, etc.) disproportionately affect vulnerable populations, including older adults, children, persons with disabilities, low-income groups, and migrant workers. • Risk that greenhouse gas emissions from business operations concentrate environmental burdens on vulnerable regions and future generations. • Risk that massive power and water consumption by data centers and AI infrastructure disproportionately impacts access to resources for local residents and vulnerable groups. • Risk that water usage by AI and data center facilities degrades access to safe water and sanitation for local residents. • Risk that climate change and unequal distribution of water resources impose greater living, health, and educational burdens on low-income groups, migrant workers, children, older adults, and persons with disabilities.	✓	✓	✓	✓	✓	✓
		Just Transition	• Risk that business restructuring driven by decarbonization and energy transition negatively impacts workers' employment and livelihoods due to a lack of adequate explanation, consultation, and support. • Risk that some workers are left behind due to insufficient support for reskilling and redeployment necessary for decarbonization. • Risk that structural shifts in local industries resulting from decarbonization negatively affect local communities and related business operators. • Risk that transition planning for decarbonization, energy transition, and AI adoption lacks sufficient consultation with workers, labor unions, local residents, and supply chain workers, resulting in a disproportionate burden on certain populations. • Risk that the benefits of efficiency gains from decarbonization and AI implementation accrue disproportionately to corporations without being adequately returned to workers and local communities.	✓	✓	✓	✓	✓	✓

	Access to land	Ownership to land	• Risk of forced displacement or relocation of Indigenous peoples and local communities during business land acquisition. • Risk that business facility construction and operations depreciate land value, reducing the asset values of local residents. • Risk of health damage to Indigenous peoples and local communities due to the spread and infection of zoonotic or externally introduced viruses resulting from land development. • Risk of environmental destruction and disruption to local residents' daily lives caused by clearing mountain land for solar panel installations. • Risk that abandoned solar panels following corporate bankruptcy or decommissioning negatively impact local residents' living environments. • Risk of threatening local residents' livelihoods by utilizing land without considering resilience, adaptability, and long-term environmental changes. • Risk of environmental contamination in surrounding areas from rare metal or gold mining, resulting in harm to local communities. • Risk of failing to secure Free, Prior, and Informed Consent (FPIC) from Indigenous peoples and local communities prior to critical mineral extraction and renewable energy developments.	✓	✓						
Society and Government	Relationship with Government	Bribery and Corruption	• Risk that, particularly when obtaining permits and licenses, involvement in bribery or corrupt practices (e.g., facility payments) may lead to insufficient safety and other necessary inspections or verifications • Risk that participation in bribery during contracting, collusion or entrenched practices within the industry (in transaction/operation methods), or misconduct when securing government-related projects may result in inadequate safety and other necessary inspections or verifications • Risk that overseas partner or investee companies may make donations to military regimes, thereby indirectly contributing to the regime and, in turn, to human rights violations • Risk that efforts to maintain logistics flows may create corruption risks, such as bribery, leading to insufficient safety and other necessary checks	✓	✓	✓	✓	✓	✓	✓	✓
		Relationships with countries with high human rights risks	• Risk of contributing to human rights violations when operating in countries or regions where there is a gap between local laws/customs and international standards • Risk of indirectly contributing to human rights violations by paying usage fees to military regimes when using airports in such countries • Risk of indirectly contributing to human rights violations (e.g., forced labor, ethnic discrimination, increase in refugees, community impacts) through transactions with companies or suppliers in conflict-affected areas • Risk that information control in geopolitically high-risk regions may prevent access to necessary information, resulting in an inability to ensure the safety of employees and their families engaged in business activities, or in unintentional complicity in human rights violations through business operations • Risk that expatriates or business travelers may be unjustly detained under the laws of geopolitically high-risk regions • Risk that failure to respond promptly to changes in geopolitical risks may compromise the safety of employees and their families engaged in business activities • Risk of unintentional complicity in human rights violations if the company's products or technologies are used by parties to a conflict, wartime actors, or military regimes	✓	✓	✓	✓	✓	✓	✓	✓
	Consumer Relations	Health, Safety, and Personal Data Protection	• Risk that product/service defects, improper marketing activities, or failure to disclose information appropriately result in damage to consumers' lives, health, or property. • Risk that greenwashing misrepresents corporate or product sustainability performance, preventing consumers from making informed purchasing decisions. • Risk that personal information obtained through business processes is improperly managed or used, violating individual privacy rights. • Risk that consumers experience anxiety due to unclear or non-transparent disclosures regarding where and how AI is utilized. • Risk that the lack of actionable remediation protocols exacerbates damage when individual human rights are violated. • Risk that inappropriate advertising or messaging reinforces discrimination and bias, causes consumer distress, or leads to health hazards due to product misuse from misleading claims. • Risk that growing anti-diversity movements in certain regions lead to products and services lacking inclusivity, restricting access for vulnerable populations. • Risk that users cannot make informed choices due to non-disclosure of AI integration within products and services. • Risk of infringing upon users' right to self-determination due to inadequate disclosure regarding personal data collection, usage, and training data utilization. • Risk that individuals are denied explanations or avenues to appeal automated decisions made by AI systems. • Risk that platform services are exploited for deepfakes, scams, impersonation, and other fraudulent activities. • Risk that vulnerable demographics, such as older adults, fall victim to scams leveraging generative AI technologies. • Risk that inadequate service accessibility excludes older adults, persons with disabilities, and other groups from access. • Risk that individuals unable to navigate IT devices are left behind in an increasingly digital society where administrative procedures and information access rely heavily on PCs and smartphones. • Risk that foreign residents cannot access essential daily infrastructure due to a lack of multilingual support for administrative and public procedures. • Risk that packaging designs created without considering end-of-life waste cycles hinder recycling, increase refuse, and degrade environmental sanitation. • Risk of causing inconvenience or danger to consumers due to inadequate safety considerations for children (e.g., child-resistant locks) or foreign residents. • Risk that credit scoring and management systems powered by AI deliver discriminatory judgments due to biased or flawed machine learning models. • Risk of privacy violations, copyright or trademark infringements, and the reinforcement of discrimination through the use of generative AI. • Risk of threatening users' physical, mental, and financial well-being through addiction caused by a lack of education and awareness around the responsible use of online casinos and in-game microtransactions. • Risk of misleading users when AI-generated content is not clearly labeled or disclosed. • Risk of spreading misinformation and fake news through AI-generated content. • Risk that older adults, persons with disabilities, and other groups are excluded from essential services due to rapid digitalization. • Risk that service designs over-reliant on digital procedures prevent older adults, persons with disabilities, foreign residents, low-income groups, and others from accessing critical information and support during climate disasters or system outages.	✓		✓		✓	✓	✓	✓

Others	AI	AI Design and Development	• Risk of discriminatory or unfair decisions resulting from bias in AI training data. • Risk of disadvantageous outcomes for specific demographic groups in AI-driven recruitment, performance evaluations, or credit scoring. • Risk of improper handling or misuse of personal data during AI model development. • Risk of infringing upon rights to privacy and self-determination when training data for AI development is collected or used without explicit user consent. • Risk of rights infringement caused by using copyrighted material and creator content as AI training data without appropriate authorization or licensing.	✓	✓	✓	✓	✓	✓	✓
		Use of AI	• Risk that users receive inadequate explanations due to the opacity of AI decision-making processes. • Risk that over-reliance on AI leads to a lack of proper human review and oversight. • Risk of failing to provide users with opportunities to appeal or seek remedy regarding AI-driven decisions. • Risk of harming customers and society by relying on AI-generated misinformation for operational and business decisions. • Risk that excessive trust in AI outputs compromises effective human supervision and accountability. • Risk that over-reliance on generative AI diminishes opportunities to develop foundational professional skills, such as writing, critical thinking, and decision-making.	✓	✓	✓	✓	✓	✓	✓
		AI and Work	• Risk of job displacement and lost employment opportunities driven by advancements in AI and automation. • Risk of widening disparities among workers based on the presence or lack of AI skills. • Risk of diminishing learning and career development opportunities for junior employees as AI streamlines business tasks. • Risk that business restructuring and automation through AI drastically alter job roles without providing adequate reskilling opportunities. • Risk that over-reliance on generative AI reduces skill acquisition opportunities, stalling professional development. • Risk that insufficient capacity building and reskilling support during business transformations—such as AI adoption or decarbonization—exclude certain workers from the labor market. • Risk of expanding income inequality if productivity gains from AI are not appropriately shared with workers.	✓	✓	✓	✓	✓	✓	✓
		AI and Supply Chain	• Risk of child labor and forced labor in the manufacturing and raw material extraction processes for AI semiconductors and GPUs. • Risk of psychological and physical strain experienced by data annotation workers. • Risk that complex, multi-tiered subcontracting structures make it difficult to monitor actual working conditions for workers generating AI training data. • Risk that reliance on low-wage labor for AI training data tasks (e.g., data annotation) obscures underlying human rights risks. • Risk that reliance on low-wage labor for overseas outsourced AI training data tasks (e.g., data annotation) obscures underlying human rights risks.	✓	✓	✓	✓	✓	✓	✓
		Misuse of AI	• Risk of fraud, impersonation, and the spread of misinformation and disinformation driven by deepfakes. • Risk of human rights violations resulting from the surveillance or military applications of AI technologies. • Risk of privacy violations stemming from mass surveillance enabled by AI systems.							
		AI Governance	• Risk of causing damage or harm to users due to unestablished AI governance frameworks or ethics policies. • Risk of copyright infringement and adverse impacts on freedom of expression resulting from AI systems. • Risk of failing to conduct Human Rights Impact Assessments (HRIAs) for AI systems. • Risk of inadequate monitoring or corrective actions applied to high-risk AI applications. • Risk of failing to continuously verify the ongoing effectiveness of corrective measures addressing AI-related human rights impacts. • Risk of complicity in human rights violations—such as surveillance, discriminatory decision-making, or military applications—by failing to properly verify end-users and intended use cases for AI systems.	✓	✓	✓	✓	✓	✓	✓
	Impact on Children		• Risk of harm to children through online services and social media, including sexual exploitation, cyberbullying, and impersonation. • Risk of violating children's rights through deepfakes and misinformation or disinformation. • Risk of excessive microtransactions and addiction associated with gaming and platform services. • Risk of exposure to inappropriate content through the use of AI chatbots and generative AI. • Risk of adversely affecting children's healthy development due to excessive interaction with or dependency on AI chatbots. • Risk that parents and guardians fail to enforce appropriate usage controls due to a lack of guidance and information. • Risk that services used by children lack age-appropriate safety measures and design standards.	✓	✓	✓	✓	✓	✓	✓
		Suber Security	• Risk that cyberattacks disrupt critical infrastructure and public services, causing severe impacts on citizens' rights and daily lives. • Risk that ransomware or similar attacks halt operations at hospitals, local governments, and public institutions. • Risk that incident response and recovery efforts following a cyberattack impose excessive overtime and severe work burdens on internal employees and contractor personnel.	✓	✓	✓	✓	✓	✓	✓
		Complicity	• Risk that surveillance cameras and similar equipment may be used for forced labor facilities or for sexual crimes such as voyeurism • Risk that criminal use of social media may lead to human rights violations • Risk that products such as drones may be illegally modified for military purposes and used as weapons to injure or kill people • Risk of stalking incidents facilitated through the misuse of IC tags • Risk that transferring substances such as detergents into non-designated containers may cause explosions or the release of harmful gases, resulting in harm to consumers (e.g., placing alcohol-based sanitizer in containers not designed for alcohol) • Risk that 3D printers may be used to produce weapons or other items that could cause human rights violations • Risk that advanced camera functions may be misused for sexual crimes such as voyeurism • Risk that misuse of high-anonymity communication apps may lead to unintentional involvement in criminal activities such as underground part-time jobs (“yami-baito”) • Risk that insufficient product/service explanations or considerations may result in improper use that violates laws (e.g., in the context of inbound tourism or the diversification of sales channels such as flea market apps)							✓
	Remedy	Building a Remediation Process	• Risk that human rights violations remain unaddressed due to inadequately established grievance mechanisms or processes (e.g., lack of understanding or skills among intake staff). • Risk that the effectiveness of the remedy process is compromised by a lack of independent third-party oversight. • Risk that reports or complaints are not properly integrated or directed into the remedy process. • Risk of failing to protect whistleblowers and complainants from retaliation or adverse action. • Risk that individuals offering support or assistance to complainants face retaliation or attack. • Risk that existing grievance mechanisms become mere formalities without practical utility. • Risk that supply-chain-inclusive grievance mechanisms fail to reach intended rights-holders. • Risk that reports from affected individuals are misidentified or dismissed due to insufficient information or a lack of linguistic and cultural understanding. • Risk of excluding consumers—particularly visually impaired individuals or those preferring phone support—by limiting contact channels to email or chat without accessible phone numbers. • Risk that individuals cannot seek recourse when grievances involve direct point-of-contact personnel at suppliers or client companies. • Risk that rights-holders refrain from submitting grievances due to a lack of trust and psychological safety regarding the intake mechanism. • Risk that the use of biased or flawed AI within grievance resolution processes leads to improper handling or fails to deliver equitable outcomes. • Risk that human rights violations remain unaddressed due to gaps between corporate policies/disclosures and actual operational practices. • Risk that relying solely on local laws rather than aligning with international human rights standards hinders effective remedy. • Risk that operating grievance channels exclusively in Japanese prevents migrant workers and overseas supply chain personnel from accessing remedy mechanisms. • Risk that supply chain workers remain unaware of grievance mechanisms, denying them access to remedy procedures. • Risk that unclear grievance procedures, ambiguous response timelines, or a lack of status feedback discourage affected individuals from utilizing remedy mechanisms.	✓	✓	✓	✓	✓	✓	✓

3.3 Chemical and Building Materials Industry

This table is a summary of the value chain that is generally considered to exist in the industry, and individual companies need to consider their own specific products and services.

*Each value chain item includes not only the company itself but also contractors and cooperating companies that outsource manufacturing, logistics, services, etc. at each stage of the value chain. (This also includes contractors that come in and out of offices and factories.)

Human rights issues of importance in the chemical and building materials industries			Specific Concerns	Value Chain																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
				Research	Development	Manufacturing	Logistics	Use/Utilization	Reuse/Recycle	Disposal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Workplace Treatment	Working Hours	Health and Safety	Disciplinary Action	Wages	Businesses / Supply Chain	Hiring & Time of Employment	Layoffs and dismissals																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										

		Child labor	Minimum age/employment of young workers under 18	- Concerns that the risks are not fully understood by Tier 2 and 3 suppliers and beyond as the supply chain becomes more complex and globalized. - There is a difference between local and international laws regarding the concept of the standard age, and we are concerned that we are not able to follow up appropriately on a regional basis. - Concerns that young people may be engaged in labor due to inadequate measures against impersonation, such as age verification, when operating in countries with a high risk of child labor. (1) There is a risk that children may be employed in the supply chain (subcontracting work, etc.) in developing countries, and that brokers may mediate the employment of children. (2) Workers may apply for employment by falsifying their age. (3) Likelihood of having them engage in night work and hazardous work - Concerns that increased demand for EV vehicles will increase the need for procurement of minerals and increase the risk of child labor and forced labor at mining sites							✓	✓		✓		✓	✓		
		Forced Labor	Forced labor Exploitation requiring a deposit or documentation for employment	- Risk or concern of overlooking issues due to the inability to comprehensively understand the presence and actual conditions of migrant workers globally, as well as the situation of foreign technical intern trainees - Concern that recruitment fees, payments to foreign language education institutions, or debts to sending organizations may effectively constitute debt bondage, and that companies may be unable to fully cover such fees								✓	✓	✓			✓		
			Restriction of movement	- Concerns that freedom of movement will be restricted if the company retains original identification documents such as passports, pension books, etc. - There are concerns that the company will set a curfew that deviates from socially accepted norms at company facilities (dormitories, etc.), thereby restricting freedom of movement. - There have been cases in Japan where companies have placed financial restrictions on foreign technical intern trainees by taking custody of their bank passbooks, thereby depriving them of freedom of movement.								✓	✓	✓					
			Forced overtime	Concerns about forced overtime work (or even voluntary work resulting in overtime) due to orders received without consideration of resources.	✓	✓	✓	✓	✓	✓	✓						✓		
		Human trafficking	Concerns about missing risks and problems due to the lack of a comprehensive grasp of the existence and actual status of migrant workers and foreign technical intern trainees on a global scale.		✓	✓	✓	✓								✓			
		Freedom of association	Freedom of association and Right to collective bargaining	- Concerns that labor-management negotiations may not be normal - Concern that there is no means for employees to discuss labor-related issues without interference from the company. - Concerns that labor-management disputes and human rights issues may arise due to the company's refusal to negotiate with minority unions. - Concerns that freedom of choice and freedom to join or leave a union are not ensured. - Concerns that unjust dismissal or disadvantageous actions will be taken against employees for their active participation in labor-management negotiations		✓	✓	✓	✓	✓	✓					✓	✓		
			Measures where not permitted by national law	Concerns that there is no means for employees to discuss labor-related matters without interference from the company		✓	✓	✓	✓	✓	✓					✓	✓		
		Risks Related to Technological Advancements and Information Management		- Concern of privacy violations—such as personal data leaks—resulting from cyberattacks targeted at corporations. - Concern that abusing AI without established regulatory frameworks leads to human rights violations (e.g., tracking worker locations to optimize efficiency evolving into excessive workplace surveillance).		✓	✓	✓	✓	✓	✓								
		Relationships with suppliers in countries/regions with high human rights risks		- Concern that prioritizing company profit in supplier selection and sourcing from countries or regions with high human rights risks may indirectly contribute to adverse human rights impacts — particularly in the upstream supply chain for high-risk conflict minerals (tantalum, tin, tungsten, gold), cobalt, natural mica, copper, natural graphite, lithium, nickel, and others, where the potential for human rights harm is significant - Concern that ceasing procurement from high human rights risk countries or regions without engaging suppliers to drive improvements may amount to abandoning the resolution of root problems - Concern that carrying out a responsible withdrawal from high human rights risk countries or regions may still result in local employees and surrounding communities losing access to social infrastructure, services, and employment (e.g., large-scale job losses following the withdrawal of foreign companies from Myanmar)										✓					

Community	Environment	Resources	As a chemical company committed to reducing environmental impact and ensuring the proper management of chemical substances, we recognize the following potential human rights risks: - Concern that natural resource depletion impacts the livelihoods and social infrastructure maintenance of local communities. - Risk of biodiversity loss and water depletion caused by deforestation for plant construction, over-extraction, and land development. - Concern that misconceptions regarding bioplastics (e.g., assuming all biodegradable plastics fully break down in natural environments) encourage ocean dumping and hinder effective resource circulation. - Concern that transitioning from fossil to non-fossil resources creates human rights violations—such as the forced land acquisition of Indigenous peoples—or causes adverse environmental impacts, specifically including: 1. Risk that using edible crops (e.g., corn, soybeans) as bio-based feedstocks indirectly drives up food prices and causes food shortages. 2. Risk that sourcing oil palm for biodegradable plastics or biomass fuels encourages environmental destruction in origin regions.												✓	✓		✓	✓
		Pollution/Biodiversity	As a chemical company committed to reducing environmental impact and ensuring the proper management of chemical substances, we recognize the following potential human rights risks: - Concern that improper use or disposal by downstream customers leads to environmental pollution and the destruction of natural capital (e.g., marine plastic pollution, agricultural chemical misuse). - Concern that accidental releases or exposure to pollutants cause widespread environmental contamination and adverse health impacts. - Risk of biodiversity loss and water depletion resulting from deforestation for plant construction, resource over-extraction, and development activities. - Concern that misconceptions regarding bioplastics (e.g., assuming all biodegradable plastics fully break down in natural environments) encourage ocean dumping and damage marine biodiversity. - Concern that the environmental persistence of company-manufactured plastics and chemical substances (such as PFAS) threatens the health and livelihoods of coastal and local communities.											✓	✓		✓	✓	
		Animal Welfare	- Concern that keeping animals in poor breeding or housing conditions prior to testing violates animal welfare and dignity. - Concern that performing animal testing without adequate anesthesia or sedation inflicts unnecessary pain, violating animal dignity. - Concern that failing to ensure animal welfare standards throughout the supply chain compromises the ethical sourcing of animal-derived raw materials. - Concern that novel agricultural chemicals negatively impact non-target organisms, leading to adverse effects on biodiversity.	✓	✓	✓	✓	✓	✓	✓	✓	✓							
		Other/Integrated Issues	- Concern over a lack of awareness that environmental issues must be understood and addressed as an integral component of human rights. - Concern that advancing Materials Informatics (MI) and AI-driven efficiency in materials R&D without sufficient human oversight could lead to flawed operations or decisions, resulting in environmental destruction and adverse health impacts. - Concern that focusing narrowly on recycling and reduction while neglecting reuse leads to continuous GHG emissions during manufacturing/reprocessing, hindering climate change mitigation and contributing to human rights impacts. - Concern that claiming environmental friendliness based on partial greening—despite high environmental impacts across the full product lifecycle—ultimately contributes to environmental pollution and related human rights violations.	✓	✓	✓	✓	✓	✓	✓	✓	✓							

Society and Government	Relationships with Government	Bribery and corruption	- Concerns that bribes will be demanded and that the company's acceptance of payment will have negative human rights impacts and disadvantages for rights holders (e.g., illegal construction will be approved, residents will be forced to change their living environment under unfair conditions, or the living environment will deteriorate). - Concerns that involvement in corruption may result in surcharge payment orders or shutdown orders, which may have reputational damage, and consequently indirectly affect the employment of employees.													✓	✓		✓	✓
		Relationships with countries/regions with high human rights risks Remedies	- Concerns about indirectly contributing to the occurrence and promotion of negative human rights impacts by (1) Obtaining permits, licenses, etc. and operating in countries with high human rights risks (2) Procurement from state-owned enterprises in countries with high human rights risks (e.g., conflict minerals, timber, polysilicon) For example, human rights violations in the manufacturing process of polysilicon produced in the Uyghur Autonomous Region in China have been raised as an issue, but it is difficult to prove that the material is not included in the solar panel products used by the company. - Concern that the company's products may be used for unintended purposes in export destinations, causing health damage or indirectly contributing to conflicts (e.g., through conversion for use as weapons)														✓	✓	✓	✓

Remedy			(1) Concern that potential negative human rights impacts cannot be identified or assessed due to a lack of established, operationalized, and widely publicized grievance mechanisms and stakeholder dialogue frameworks tailored to diverse business stakeholders. - Concerns that the voices of suppliers from Tier 2 and beyond, with whom there are usually no direct communication contacts in the supply chain, are not being understood. - Concerns that the grievance system is only formal and does not capture the voices of those who are directly affected. - Risk of unfair dismissal due to lack of protection for whistleblowers (2) Concerns that the following human rights issues are not being addressed in a timely/appropriate manner - The consultation system/point of contact is not set up in consideration of local language, reception time zone, legal system, culture, etc. - The access to the grievance mechanism and the expected response and timeframe are not communicated in advance. - The value chain is not visualized. - Information is not properly communicated, and appropriate responses are not taken from the perspective of respect for human rights. - Dialogue, disclosure of inquiries, etc., are not conducted (Conceptual and operational arrangement with the Whistleblower Protection Act). - Concern that, in investigating reported cases, a lack of confidentiality and transparency may result in violations of the whistleblower's human rights - Concern that foreign employees in the company or its supply chain may become disconnected from the community, leading to social isolation and preventing them from seeking appropriate support														✓	✓	✓	✓	✓
--------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

3.4 Food and beverage industry

"Ⓢ" indicates content particularly relevant to the food and beverage industry.

Human rights issues in the food and beverage industry			Risk Area	Specific Concerns	Value Chain					
					R&D	Procurement	Manufacturing	Logistics	Sales	Consumption
		Working Hours	Global	• Risk of excessive working hours across all operations, including internal facilities, outsourced manufacturing sites (suppliers), and logistics drivers. • Risk that long working hours negatively impact employees' personal lives and work-life balance. • Risk that staffing plans reliant on overtime lead to chronic exceeding of standard working hours. • Concern that severe labor shortages caused by infectious disease outbreaks or geopolitical conflicts result in increased working hours for current staff. • Risk that an inability to leverage technologies like AI stalls productivity improvements, preventing reductions in working hours. • Risk that shrinking labor pools from aging populations increase individual workloads and operational strain. • Risk that failing to backfill positions during maternity, paternity, or caregiving leaves places excessive burdens on remaining employees. • Risk of back-to-back shifts in manufacturing plants due to a lack of mandatory rest intervals between shifts. © Risk that binding, restricted working arrangements occur during peak seasonal production periods to meet tight delivery deadlines. * Note: When remuneration for raw material suppliers (e.g., farmers) is piece-rate/commission-based, managing hours becomes impractical. © Risk of excessive labor caused by urgent production scaling during unexpected demand surges, as well as working hour management challenges resulting from increased telework under evolving workstyles.	✓	✓	✓	✓	✓	✓
		Wages	Global	• Concern that wage levels do not align with the local cost of living. • Risk that fair wages are not paid under piece-rate compensation systems (e.g., in palm oil plantations or fisheries). • Risk that unfair trade practices prevent workers from receiving appropriate compensation. • Risk that foreign workers' wages fall below the minimum cost of living or that adequate housing facilities are not provided. • Risk that wages fail to reflect actual working hours worked (compliance with local labor laws). • Concern that global pandemics lead to factory shutdowns or lockdowns without guaranteed wage protections. • Risk that overtime worked is not compensated due to arbitrary caps placed on logged hours. • Risk that employees working remotely do not receive appropriate work-from-home allowances or compensation. • Risk that advancing AI and automation drive up unemployment or drastically reduce working hours, leading to income loss and poverty. • Concern regarding impacts on the income and well-being of primary-industry workers, where non-regular workers (e.g., migrant or seasonal laborers) face irregular or unfair working hours tied to natural conditions. © Risk that incomes for primary-industry workers (agriculture, forestry, fisheries) remain volatile due to harvest yields being heavily influenced by weather conditions.						
			Japan	• Risk of wage disparities based on employment status despite workers performing equal work. • Risk that wages fall below the level necessary to support a decent standard of living. • Concern that foreign workers and technical intern trainees face unfair, disadvantageous treatment, including unfairly low wages and arbitrary non-renewal of contracts. • Concern that earnings of technical intern trainees are diverted or exploited to fund armed conflicts in their home countries. • Concern that temporary agency workers face unfair, disadvantageous treatment, including unfairly low wages and arbitrary non-renewal of contracts. • Risk of improper or unauthorized wage deductions that were not agreed upon in advance. • Concerns for foreign workers regarding unemployment caused by production halts, as well as reduced value of remittances and declining appeal of working in Japan due to a weaker yen. • Concern that intensifying competition among suppliers to secure raw materials worsens working and compensation conditions for unselected suppliers. • Concern that uniform housing deductions for foreign workers regardless of region create significant disparities in net take-home pay between urban and rural areas. • Risk that rising raw material costs force price negotiations and material substitution efforts, increasing administrative burdens and psychological stress. • Risk of gender pay gaps driven by implicit gender bias. • Risk of failing to provide clear, accessible disclosures of employment terms and working conditions in languages foreign workers can understand. © Risk that an inability to pass along raw material price increases to buyers prevents companies from raising wages. © Risk of financial hardship on workers due to severe inflation combined with stagnant wage growth.	✓	✓	✓	✓	✓	✓

Treatment in the Workplace	Health and Safety	Global	• Risk that the health and safety of employees and workers—including employees with disabilities—are threatened by hazardous operations in manufacturing and R&D (including raw material procurement), handling of chemical substances including pesticides, inadequate response to occupational accidents, excessive workloads, or assignments to countries and regions with deteriorating public safety due to political instability. • Risk of insufficient accommodation for diversity and varied needs to reduce risks, such as implementing color universal design, optimizing door opening directions, providing multilingual signage for foreign workers, making facility considerations (restrooms, changing rooms) for LGBTQ+ individuals, or utilizing assistive devices to reduce heavy physical labor. • Potential for severe physical labor burdens at logistics hubs (e.g., container unloading, cold storage operations) falling disproportionately on vulnerable workers, compounded by a lack of health accommodations. • Risk of inadequate support for foreign workers regarding healthcare access, daily living necessities (food, housing, clothing), and mental health care. • Risk of insufficient workplace infection prevention and control measures. • Concern over inadequate infection measures for children, as well as the risk that global pandemics drive increased child abuse or neglect due to heightened parental stress. • Risk of failing to ensure comprehensive health checkups for all employees, or failing to take concrete corporate actions based on checkup results. • Concern that mitigating physical strain specific to remote work is left entirely to individual employees without company support. • Risk of declining employee health and safety—including mental health issues from reduced communication, social isolation, and work-related stress during remote work, alongside physical health issues stemming from lack of exercise. • Risk that safety is compromised due to a lack of safety signage and training programs tailored to cultural and language differences. • Risk of infection during commuting or working hours for site-bound employees (e.g., factory personnel) who cannot work remotely during global pandemics. • Health and safety risks arising from a failure to provide reasonable accommodations tailored to the specific needs of older workers, pregnant employees, and other vulnerable individuals. • Risk that employee health and safety are threatened by inadequate corporate awareness or delayed action following the addition of occupational safety and health (OSH) to the ILO Core Labour Standards. • Risk that climate-driven declines in crop yields and livestock production lead to a global protein shortage ("protein crisis"), creating health risks and disparities between those who can access adequate protein and those who cannot. • Risk that soaring raw material and energy costs compromise proper occupational health and safety management by employers. • Risk that evacuation routes and emergency shelters near housing facilities are not clearly designated in languages understood by foreign workers. • Risk of inadequate emergency response training due to insufficient evacuation drills at workplaces, particularly for night-shift, part-time, and temporary contract agency staff. • Risk that employees suffer mental health decline due to insufficient anti-harassment measures and support frameworks. • Risk of causing workplace accidents due to a failure to provide occupational safety and health training and support to suppliers. • Risk of catastrophic consequences during disasters if mandatory evacuation and firefighting drills (conducted upon initial occupancy and biannually thereafter) are not performed at worker dormitories. © Risk that global warming and climate change adversely affect the health and well-being of outdoor workers, particularly in agriculture and primary industries. © Risk to worker health caused by employers failing to implement adequate heatstroke prevention and cooling measures in workplace environments (both indoors and outdoors). © Risk that the health and safety of night-shift, part-time, and temporary contract agency staff are compromised due to a lack of training and educational opportunities. © Concern that strict dietary restrictions imposed on food service personnel for hygiene management (e.g., prohibiting raw oysters or bivalves to prevent Norovirus) lead to an infringement of individual rights. © Risks in the fishing industry regarding physical and mental health impacts from irregular working hours, nutritional imbalances caused by limited food supplies onboard, injury risks from rough seas, and potential delays or lack of access to proper medical treatment. © Risk that workers are not provided with necessary personal protective equipment (PPE) and safety gear during product manufacturing and processing.	✓	✓	✓	✓	✓	✓
		Japan	• Risk that rigid internal benefits policies (such as family allowances or company housing programs) fail to accommodate same-sex partners or de facto/common-law marriages. • Concern that a lack of reasonable accommodation in site assignments, workplace culture, dress codes, or relocations creates an environment where employees cannot work with psychological safety. • Concern that a lack of understanding regarding medical care and hospital visit support for transgender employees hinders adequate health management. • Risk that failing to utilize occupational physicians and health managers to provide health guidance and consultations tailored for foreign workers leads to missed early symptoms or worsening health conditions. © Risk that employees are assigned to departments handling specific allergens without consideration for their personal food allergies or dietary restrictions.	✓	✓	✓	✓	✓	✓
		Disciplinary Action	• Insufficient compliance with the implementation of punishment for harassers. • Insufficient enforcement of appropriate punishment due to lack of internal awareness of laws, regulations, and work rules.	✓	✓	✓	✓	✓	✓
	At Employment	Global	• Risk of discriminatory hiring practices based on race, gender, religion, region, SOGI (LGBTQ+), disability, ethnicity, creed, medical history (e.g., HIV status), caregiving responsibilities, fertility treatment, or childcare duties. • Risk that exorbitant fees paid to sending agencies such as recruitment fees or language training costs—result in debt bondage, coupled with domestic corporate failures to recognize, investigate, or address these circumstances when hiring. • Risk of improper working conditions arising from failing to provide employment contracts and terms in languages understood by foreign job applicants during the recruitment process. • Risk of perpetuating discrimination through unconscious bias, lack of awareness, or systemic reproduction of hiring biases. • Risk of unfair treatment resulting from the use of AI in recruitment screening, turnover prediction, or job offer rejection forecasting. • Risk of infringing on candidate rights during interviews through questions lacking human rights awareness, or by forcing binary gender selections on application forms and resumes.	✓	✓	✓	✓	✓	✓
		Japan	• Risk that wage deductions imposed as disciplinary action lead to fair compensation for work rendered not being properly paid. - Note: While other jurisdictions commonly use suspensions as disciplinary measures, Japanese labor law permits wage deductions in lieu of summary dismissals, as punitive terminations are strictly restricted.	✓	✓	✓	✓	✓	✓

Businesses / Supply Chain	Discrimination	At Work	Global	•Likelihood that workers (including foreign employees, workers with disabilities, and temporary employees) will receive inadequate safety training and unequal treatment. •Likelihood that workers will be forced into unstable forms of employment. •Discrimination based on employment status (e.g., lack of training opportunities, denial of participation in meetings, etc.) •Harassment (sexual harassment/power harassment/maternal harassment/SOGI harassment, etc.) from/to/within business partners •Lack of working environment for people with disabilities •Lack of LGBTQ-friendly facilities (restrooms, changing rooms, etc.), lack of dialogue with LGBTQ people, and lack of promotion of understanding among others •Increased teleworking causes harassment that is invisible to those around it •Risk of disparities in access to technology and skill development opportunities related to AI and emerging tools. •Risk of unfair treatment or improper reassignment resulting from AI-driven internal workforce redeployment. •Risk of human rights violations arising during global pandemics, such as harassment or discrimination directed at infected individuals and their family members. •Risk that failing to provide human rights training and education to personnel at overseas locations inadvertently promotes or fosters discriminatory practices.	✓	✓	✓	✓	✓	✓
			Japan	•Risk of discrimination arising from differences in nationality or religion due to insufficient multilingual or multi-faith manuals and lack of consideration for diverse working environments •Discrimination or harassment against foreign workers by host companies •Insufficient quality and quantity of education and training for foreign workers •Requirement for workers in factories to wear different-colored uniforms/hats based on nationality •Need for consideration regarding prayer rooms, hijabs, cultural etiquette, and permissible food items (e.g., pork, beef) •Lack of direct communication between Japanese employees and foreign workers (overreliance on interpreters) •Inconsistent approaches to time management •Questionable practice of assigning shared accommodation based solely on binary gender distinctions •Risk of forced vaccination or excessive preventive measures during global pandemics of infectious diseases with high severity potential •Excessive assignment of work (including miscellaneous tasks) to younger workers •Stress caused by differences in individual approaches to pandemic prevention measures •Risk that the lack of workplace infrastructure—such as multilingual company regulations and other documents necessary for smooth communication—prevents essential information from being conveyed •Failure to provide foreign workers with support to improve Japanese language skills and deepen understanding of Japanese lifestyle, culture, customs, and employment practices, or overreliance on foreign communities leading to stagnation in language and life skills development •Lack of opportunities for foreign workers to participate in community events or activities, leading to social distance from local residents and an increased risk of involvement in crime •Risk that foreign workers may become overly dependent on their own communities, leading to insufficient communication and mutual understanding with the company •Risk that inadequate promotion of cross-cultural and system understanding among foreign workers may result in perception gaps •Risk of privacy violations directed against individuals infected with communicable diseases. •Risk that foreign workers are left isolated or neglected during disasters, accidents, or other unforeseen emergencies due to a lack of necessary living support within their local communities. •Risk of deteriorating workplace relationships due to inadequate promotion of mutual diversity understanding between Japanese and foreign workers. • Risk that foreign employees and their families become socially isolated within Japanese society due to a lack of opportunities to learn about local culture, customs, and administrative systems. • Risk of conflict, friction, and social fragmentation arising from insufficient communication and lack of mutual understanding between Japanese and non-Japanese individuals.						
		Evaluation Treatment Dismissal	Global	•Discrimination in evaluation and treatment based on race, gender, religion, region, SOGI, disability, ethnicity, creed, medical history (HIV, etc.), nursing care, infertility treatment, childcare, etc. •Risk that insufficient career development support for foreign workers (e.g., clear career paths, role models, established promotion criteria and salary structures) may lead to inequality and make it difficult for them to find fulfillment in their work •The need to prevent isolation of foreign workers and their families in the local community. •Pushing high-risk jobs to those who are in a weak labor position •Discrepancies between the content of contracts and treatment of employees (including technical intern trainees) •Forcing employees and suppliers to purchase the company's products (quotas) to make a difference in evaluations and transactions •Fear of human rights violations due to the global pandemic of infectious diseases (due to decreased demand, unfair dismissal of those in vulnerable labor contract positions such as non-regular employees, and unguaranteed wages when the factory is not operating)	✓	✓	✓	✓	✓	✓
			Japan	•Lack of female managers, delay in barrier-free access, and possible undermining of job satisfaction for people with disabilities. •Appropriate implementation of promotions and salary increases based on evaluations for foreign technical intern trainees. Lack of communication creates isolation, and evaluations and treatment that are worth working for are not made. •Appropriate evaluations are not made due to seniority-based evaluations. •There is a difference in treatment between new graduates and mid-career hires. •Lack of consideration for male employees in expanding the system for women. •The company assumes that promotional examinations will be conducted in Japanese. •Unreasonable evaluation and treatment (evaluated based on personal likes/dislikes regardless of results) •Nationality-based divergence of managers (not only women) •Possible deterioration of the employment environment and maintenance of an appropriate evaluation and treatment system due to the rising cost of raw materials and energy.						

Child Labor		Global	• Fear of child labor under the minimum age for employment, fear of identity forgery • Fear of children losing their right to education and suffering physical and mental damage • Increase in child labor due to the increase in the number of poor people caused by widening disparities due to the global pandemic of infectious diseases • Confirmation that there is no child labor in upstream suppliers (secondary and tertiary), especially in developing countries • Child labor in family business environment • Child talent working late at night during filming of (domestic) commercials • Possible involvement in forced labor (child labor) due to use of non-certified palm oil raw materials • Risk that procuring non-certified raw materials may involve or contribute to child labor, thereby entrenching and expanding the practice of child labor	✓	✓	✓	✓	✓	✓	✓
Employment of young workers under 18 years of age		Global	• Night work, hazardous work, ID forgery • Lack of awareness of possible domestic risks as hazardous labor for those under 18 years of age (there are some manifestations that have made the news). © In some cases, young people under the age of 18 are involved as domestic labor in small-scale agricultural producers.	✓	✓	✓	✓	✓	✓	✓
Forced labor		Global	• Risk of forced labor involving migrant workers. • Risk of undocumented workers or illegal immigrants being subjected to inhumane treatment, such as prison or forced labor. • Risk of excessive overtime resulting from unreasonable or extreme demands imposed by business partners or clients. • Risk of forced labor arising from a lack of employment contracts translated into foreign workers' native languages, preventing informed consent. • Risk of severe overwork and labor exploitation at upstream (tier-2, tier-3) suppliers, particularly in developing nations. • Risk of restricting workers' freedom of movement by withholding or retaining their identification documents, passports, or personal papers. • Risk of inadvertently procuring raw materials linked to forced labor when supply chain disruptions compel switching to uncertified non-sustainable alternatives. © Risk of modern slavery and severe labor exploitation within agricultural, forestry, and fisheries procurement (e.g., harsh working conditions on fishing vessels).	✓	✓	✓	✓	✓	✓	✓
		Japan	• Risk of exploiting technical intern trainees through actions such as passport confiscation, mandatory engagement in hazardous labor, and related human rights abuses. • Risk of slave-like conditions and severe labor exploitation in agricultural and livestock procurement within Japan. • Risk of forced savings schemes at the time of contracting, where employers unlawfully retain workers' bankbooks and personal seals. • Risk that global pandemics leave foreign technical intern trainees stranded without the ability to return to their home countries. • Risk of student visa exploitation, including hiring bogus international students (individuals arriving ostensibly for study but primarily for low-wage labor), or staffing agencies forcing registry and employment in exchange for upfront tuition or fee coverage. • Risk that exorbitant fees charged by sending agencies or brokers in home countries trap technical intern trainees in debt bondage and forced labor. • Risk of assigning work that deviates from agreed employment terms, imposing illegal overtime, or threatening penalties for non-compliance.							
Freedom of association and the right to collective bargaining		Global	• In countries where unions are not allowed, or where they are allowed but not applied as a matter of substance, there is a risk that freedom of association and the right to collective bargaining (in accordance with international law) may not be ensured. • In countries with weak legal systems, even if freedom of association is recognized and there is a union in the company, the union may not function adequately as a practical matter due to "intimidation" on the part of the company.	✓	✓	✓	✓	✓	✓	✓
		Japan	• There is a risk that foreign workers are not given sufficient explanations regarding freedom of association and the right to associate. • There is a risk that foreign workers are restricted or prohibited from joining labor unions.	✓	✓	✓	✓			

Access to Remedy	Measures to be taken if not permitted by national law	Global	• Grievance support as a relief window is needed throughout the value chain. For consumption, it is necessary to have a customer service center and a 24-hour, multi-lingual printing service. • It is necessary to establish not only an internal reporting system but also a complaint handling mechanism that is open to the outside world. • There is a possibility that access to the hotline is insufficient (employees do not know about it, the system is difficult to use, it is not resolved, etc.). • Even if multilingual support is available, there is a risk that complaints and consultations will be ignored or put off because of the cumbersome nature of the response, etc. • Even if a multilingual response is available, there is a risk that complaints and consultations may be ignored or put off because of the tedious nature of the response. • The method of consultation by means and the author in charge are not communicated internally and externally, and the legitimacy may not be ensured. • The system may not be accessible to everyone in all languages and by all means, and may not be accessible to all. • The “relief window” may not be clearly indicated to be a “human rights” reporting window, and its accessibility may not be ensured. • Risk that an effective grievance mechanism as a remedy channel is not established across the entire value chain (including in consumer-facing areas, where customer service desks, multilingual labeling, and 24-hour support may be necessary) • Risk that a complaint-handling mechanism open to external parties, in addition to internal whistleblowing systems, is not established • Risk that failure to build or operate a system for protecting whistleblowers may undermine the benefits and expectations of confidentiality • Risk of inadequate access to hotlines (e.g., employees are unaware of them, systems are difficult to use, issues are not resolved, or communication infrastructure is unreliable) • Risk that, even with multilingual capabilities, complaints and inquiries may be ignored or delayed due to perceptions that handling them is inconvenient • Risk that a high volume of inquiries not requiring remedy may lead to valid complaints or inquiries being ignored or delayed • Risk that methods of consultation and the responsible departments for each channel are not publicized internally and externally, undermining legitimacy • Risk that accessibility is not ensured by providing multilingual options and multiple means for anyone to use the mechanism • Risk that it is not clearly indicated that the grievance channel accepts reports related to “human rights,” thereby undermining accessibility • Risk that the absence of disclosure on anti-retaliation measures undermines accessibility • Risk that the absence of disclosure on the response process (including escalation procedures) undermines predictability • Risk that failure to involve third-party organizations may undermine fairness • Risk that the number of complaints and their outcomes (including corrective processes) are not disclosed, undermining transparency • Risk that the lack of disclosure on alignment with international norms undermines compliance with rights standards • Risk that failure to analyze and evaluate complaint records prevents them from serving as a sustainable learning resource • Risk that failure to engage with the recipient of the complaint (e.g., supervisors) or the perpetrator (including those with the potential to perpetrate) prevents sustained learning • Risk that the lack of disclosure on the status of stakeholder dialogue undermines engagement • Risk that insufficient employee training and inadequate responses from employees may lead to consumer dissatisfaction and perceptions of insincerity • Risk that insufficient internal guidelines or training for consumer response may result in inquiry-handling employees being subjected to long hours or mental strain from excessive or unreasonable consumer demands • Risk that overly strict policies or manuals for handling customer harassment (customer harassment countermeasures) may infringe on consumers’ right to express themselves • Risk that the company’s employees may perpetrate harassment against employees of partner companies	✓	✓	✓	✓	✓	✓	
Protection of privacy		Japan	• There is a risk of invasion of privacy, such as the use of data from surveillance cameras for food defense purposes. • There is a risk of leakage of personal information due to lack of proper management of personal information. • Risk of inadequate privacy due to, among other things, allocation of dormitory room sharing for technical intern trainees and inspection of dormitories by audits, etc., as well as infringement of rights due to unwilling consent due to ignorance of recognized rights • The possibility of privacy infringement due to the system not being able to keep up with technological innovation such as AI and metaverse. • Risk of using only AI analysis for personnel data and recruitment data, which can affect one's life. • Increased risk of leakage due to multiple parties (employers (other than HR managers), supervisory bodies, sending organizations, etc.) managing personal information of foreign technical intern trainees. • Arbitrary and discriminatory research results and marketing data are created and disclosed through big data analysis of personal information, etc. in an environment where data governance is not in place.	✓	✓	✓	✓	✓	✓	

Community	Resources	Access to natural resources	Global	• Risk that large-scale agricultural, forestry, or fishery operations at raw material procurement sites cause local communities to face declining crop yields and fish catches. • Risk of adversely impacting local and Indigenous communities' livelihoods, housing, traditional cultures, local ecosystems (via air, soil, or plastic/waste pollution), and access to clean water. • Risk of land displacement for local residents driven by agricultural land development to support population growth. • Risk of losing local food self-sufficiency due to monoculture farming and the shift toward cash crops. • Risk of over-extracting natural resources caused by product development, design, logistics, and sales practices that carry high environmental impacts. • Risk of causing environmental pollution and worsening public health in destination countries through the export of plastic waste. • Risk of increasing regional water stress across the supply chain due to expanding crop cultivation and rising overall water consumption. • Risk of widening global inequalities—such as resource hoarding and food waste in developed nations occurring alongside severe hunger in the Global South. • Risk that raw material procurement difficulties in conflict-affected regions drive up material and finished product prices, rendering essential goods unaffordable.	✓	✓	✓	✓	✓	✓	✓
				• Risk of ecological destruction in forests, oceans, and rivers, water pollution, land and resource abuse, adverse impacts on local communities, and retaliation against opposing residents or human rights defenders (including human rights infringements) stemming from business activities such as facility construction, plant operations, resource extraction, and raw material procurement. • Risk that resource extraction in specific regions leads to excessive labor demands, or that intensified competition over finite resources worsens geopolitical relations between nations.							
		Climate Change	Global	• Risk of natural disasters driven by climate change causing severe impacts on living environments, employment, and vulnerable social groups. • Risk of water shortages or droughts causing business halts, negatively impacting local employment. • Risk that agricultural land expansion accelerates climate change, leading to more frequent natural disasters and adverse impacts on local livelihoods. • Risk that failing to build sustainable food systems delays food waste reduction, worsening poverty and economic inequality. © Risk of negative impacts on employment and local communities caused by declining crop yields or shifts in cultivable crop species.	✓	✓	✓	✓	✓	✓	✓
		Biodiversity	Global	• Risk that biodiversity degradation in oceans, river basins, and forests—caused by large-scale agricultural, fishery, and forestry operations at raw material sourcing sites—adversely impacts the living environments of neighboring residents. • Risk of biodiversity loss resulting from the procurement of certified "sustainable" products that lack sufficient standards for biodiversity protection. • Risk of deforestation caused by the large-scale installation and deployment of solar power generation facilities.		✓	✓	✓			
		Animal welfare		• Risk that housing livestock in poor, substandard conditions causes harm to animals, leading to potential human health hazards and psychological strain on workers. • Risk that enforcing animal welfare standards increases psychological strain and operational burdens on agricultural workers.	✓	✓	✓				
	Impacts to community		Global	• Risk of negative impacts on community infrastructure and lifelines caused by pollution (noise, vibration, offensive odors, waste generation, etc.) stemming from plant construction, operation, and R&D activities. • Risk of obstructing or restricting access to emergency evacuation shelters during natural disasters. • Risk of compromising stable dietary access by failing to accommodate religious dietary restrictions and taboos (e.g., pork, beef). • Risk of contributing to human rights violations against local populations by purchasing raw materials sourced from conflict-affected regions. • Risk of community destabilization due to inadequate support for refugees or local hostility toward refugee integration. • Risk that operational disruptions or business halts negatively impact dependent local communities. • Risk of regional economic decline and local employment reduction resulting from plant closures, project withdrawals, or termination of business relationships. • Risk of job losses resulting from business withdrawals or contract terminations driven by geopolitical risks. • Risk of environmental pollution caused by plastic waste generation resulting from excessive packaging that goes beyond consumer requirements.	✓	✓	✓	✓	✓	✓	✓
	Access to land	Land Ownership	Global	• Possible disregard of the rights of local residents and indigenous groups that arise from the enclosure of land when constructing fields and other arable land, aquaculture ponds, factories and manufacturing operations, waste disposal sites, etc.		✓	✓				✓
	Community Investment		Global	• Possible decrease in employment in the surrounding area and decline in the local economy due to withdrawal of local factories and projects or suspension of business transactions • Possible loss of employment due to withdrawal or suspension of business due to geopolitical risks	✓	✓	✓	✓	✓	✓	✓
Society and Government	Access to Remedy		Global	• The factory should take into consideration and grievance not only at the time of employees, but also at the time of workers' home environment and family life. • Possible failure to reach out to neighbors of factories and other business establishments for complaints and consultation.	✓	✓	✓	✓	✓	✓	✓
	Relationships with society and government	Bribery and Corruption	Global	• Bribes are demanded when acquiring land and permits for factory establishment and marketing rights (marketing licenses). • The company is required to pay bribes to obtain land, licenses, etc. for factory establishment and marketing rights (marketing licenses).	✓	✓		✓			✓
	Relationships with governments and slow-responding companies on human rights issue		Global	• 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 in a country that does not have laws and regulations concerning occupational safety • Risk of being complicit 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 information management controls, even audits by third-party organizations may be influenced by the authorities and may be far from the actual situation. There is a possibility that contractual bindings may be meaningless. • Foreign currency of technical intern trainees may be used for disputes.		✓	✓		✓		

Consumer Issues	Health and Safety	Appropriate Information	Global	• Risk of prioritizing corporate financial protection over immediate public disclosure, leading to delayed warnings that endanger consumer health and safety. © Risk that improper or inaccurate labeling (e.g., ingredients, allergens, alcohol content, or misleading claims) causes consumer health hazards or violates religious dietary restrictions. © Risk that unverified, evidence-lacking claims spread, leaving consumers misinformed about product safety and distorting the foundation for autonomous purchasing decisions. © Risk that inappropriate marketing practices lead vulnerable consumers (particularly minors and the elderly) toward harmful consumption habits, causing health issues from overconsuming specific ingredients. © Risk of health hazards, alcohol addiction, or nicotine dependence resulting from a failure to provide adequate warnings and precautionary disclosures.	✓	✓	✓	✓	✓	
		Quality control	Global	• Insufficient quality control (storage conditions, sanitation, process control, transportation control, etc.) and employee sanitation education and training, which may be hazardous to consumers' health • Insufficient food defense measures to prevent intentional quality control	✓	✓	✓	✓	✓	
			Japan	• Excessive quality control (e.g., zero defects, etc.) may lead to a large amount of food loss. • Lack of uniform industry standards for containers, etc. and high requirements for containers and packaging in Japan may lead to high costs and increased waste.	✓	✓	✓	✓	✓	
		Responsible Disposal	Global	• Risk that failing to properly manage and process waste (e.g., food residue, plastic waste) causes environmental degradation, negatively impacting the living environments of local residents. • Risk that massive waste generation driven by tourism demand (inbound travel) or sales promotions (giveaways/freebies) adversely affects local communities' living environments. • Risk of child labor or forced labor occurring within waste management and disposal supply chains. • Risk that distributing expired food products leads to consumer health hazards and foodborne illness. • Risk of worsening global waste issues caused by continued reliance on virgin plastic in packaging materials due to a lack of closed-loop (horizontal) recycling implementation.	✓	✓	✓	✓	✓	✓
	Discrimination	Appropriate information provision	Global	• Risk that failing to provide information in accessible formats tailored to diverse needs (e.g., individuals with disabilities) leads to misunderstandings or disadvantages for consumers. • Risk that inappropriate advertisements (TV, newspapers, magazines, digital media, billboards), marketing campaigns (titles, prize selections, eligibility), or product packaging reinforce or promote discrimination. • Risk of reinforcing harmful stereotypes and social biases through advertising and marketing expressions. • Risk of infringing on children's rights, instilling rigid stereotypes, or perpetuating systemic bias through media and promotions. • Risk of complicity in supply chain human rights violations and restriction of consumer choice due to a lack of raw material traceability. • Risk of conveying discriminatory impressions to minority groups due to a lack of human rights awareness during marketing data collection and surveys. • Risk of violating consumers' right to the highest attainable standard of health (right to health) by designing and marketing foods high in fat, sugar, or salt (HFSS) that trigger overconsumption and increase risks of obesity and lifestyle diseases. • Risk of threatening children's rights to health and healthy development by leveraging popular children's characters or social media in aggressive marketing to promote unhealthy food consumption and poor dietary habits.	✓	✓	✓	✓	✓	
	Privacy protection		Global	• Risk of leaks, improper retention, unauthorized processing, or unapproved transfer of personal data collected through consumer campaigns, e-commerce sales, and membership registrations (including third-party vendor management). • Risk of privacy violations arising from institutional and regulatory frameworks failing to keep pace with rapid technological advancements such as AI. • Risk of data leaks stemming from network vulnerability, RFID skimming, lost devices, or cyberattacks enabled by flexible, multi-location work environments. • Risk of personal data breaches caused by residual data left on electronic devices during improper disposal.				✓	✓	✓

3.5 Pharmaceutical Industry

Human Rights Issues in the Pharmaceutical Industry			Specific Concerns	Value Chain						
				Research	Development	Purchasing	Production	Distribution	Sales	Consumption
Businesses / Supply Chain	Treatment in the Workplace	Working Hours	• Risk that global business operations lead to irregular working hours and long, excessive overtime. • Risk that complying with sustainability regulations and frameworks (e.g., ESG, CSRD, CSDDD, SSBJ) increases workloads and working hours across the entire supply chain. • Risk of excessive working hours triggered by surges in clinical trial activity, production spikes following new product approvals, emergency output increases during pandemics, or product recalls. • Risk of excessive overtime resulting from over-servicing or accommodating extreme customer demands. • Risk of severe overwork arising from inadequate labor management practices under local employment laws across different countries and regions.	✓	✓	✓	✓	✓	✓	✓
		Wages	• Wage levels are not in line with local living standards • Lack of compliance with labor laws in each country/region may result in failure to pay appropriate wages for overtime work. • Unreasonable treatment (evaluation, low wages, etc.) of non-regular workers (including foreigners) and foreign technical intern trainees Possible failure to realize equal pay for equal work	✓	✓	✓	✓	✓	✓	✓
		Employment	• The impact of single employee transfers on children's upbringing and family mental health.	✓	✓	✓	✓	✓	✓	
		Health and Safety	• Risk that employee health and safety are compromised during high-hazard operations in R&D or manufacturing—such as handling animals, cell lines, chemical compounds, or pharmaceuticals—due to inadequate occupational safety and health management (e.g., insufficient training, lack of clear signage/warnings, or improper protective equipment). • Risk to the health and safety of employees and logistics personnel arising from incomplete, missing, or inaccurate Safety Data Sheets (SDS). • Risk of adverse health outcomes (including mental health decline) resulting from excessive working hours, expanded remote work arrangements, or social isolation. • Risk of physical and mental health deterioration caused by unreasonable demands or abusive behavior from customers (customer harassment).	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	• Risk that the health and safety of clinical trial subjects are inadequately managed, or that clinical data integrity is compromised, due to a lack of ethical standards, insufficient procedures, or inadequate training at contracted Contract Research Organizations (CROs) during pharmaceutical development. • Risk that the delayed detection or reporting of unconfirmed adverse events compromises the health and safety of clinical trial participants.		✓					
		Disciplinary Action	• Risk of unjust disciplinary action being taken by the company. • Risk of the rights of whistleblowers being undermined by unfair treatment due to the lack of a whistleblower system.	✓	✓	✓	✓	✓	✓	✓
		Excess Monitoring	• Excessive monitoring of employees and control of their working conditions	✓	✓	✓	✓	✓	✓	
	Discrimination	Employment	• Discrimination based on race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, disease, etc. • Discrimination may occur due to screening of specific groups by AI.	✓	✓	✓	✓	✓	✓	✓
		Time of Employment	• Risk of harassment (sexual harassment, power harassment, maternity harassment, SOGI harassment, customer harassment) • Discrimination based on race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, illness, employment status, etc. • Risk of being forced to receive vaccinations • Risk of being forced to take unstable employment • Risk of not being properly covered by internal systems (e.g., parental leave, family care leave, sick leave, etc.)	✓	✓	✓	✓	✓	✓	✓
		Dismissal or termination of employment	• The possibility of dismissal on the basis of race, place of birth, nationality, gender, SOGI, age, creed, religion, disability, illness, etc. • Undue pressure due to differences in employment status.	✓	✓	✓	✓	✓	✓	✓
	Child Labor	Compliance with legal age of employment and hazardous work or employment of young workers under 18	• The possibility of child labor under the minimum working age stipulated in the ILO Basic Conventions. • The following problems may occur due to the employment of young workers under the age of 18 - Deprivation of educational opportunities - exploitation - Causing mental or physical injury	✓	✓	✓	✓	✓	✓	✓
	Forced Labor		• Risk that, in the upstream supply chain, there may be practices of forced labor exploiting vulnerable groups such as migrants, refugees, non-regular workers (including foreign nationals), and foreign technical intern trainees	✓	✓	✓	✓	✓	✓	✓
	Freedom of association and the right to collective bargaining	Freedom of association and the right to collective bargaining	• The possibility of disincentives to join labor unions or similar organizations due to retaliation, threats, or harassment from company officials, and the possibility that opportunities for labor-management consultations are not substantially secured.	✓	✓	✓	✓	✓	✓	✓
		Measures not permitted by national law	• The risk that freedom of association and the right to collective bargaining (in accordance with international law) may not be ensured in countries where trade unions and similar organizations are not recognized or recognized but not applied as a matter of practice.	✓	✓	✓	✓	✓	✓	✓

	Personal Information	Personal Information Management	• Risk that personal data—including Personal Health Records (PHR) and genetic information—is leaked or misused, leading to individual identification and privacy violations. • Risk that personal information of healthcare professionals, patients, or employees obtained in the course of business is leaked or utilized beyond the scope of consent. • Risk that cyberattacks lead to data breaches compromising the personal information of employees, clinical trial subjects, and patients.	✓	✓	✓	✓	✓	✓	✓	✓
	AI Ethics	AI Ethics	• Human Rights in Clinical Trials: Risk that AI-driven subject selection systematically or unfairly excludes specific population groups. • Data Privacy: Concern whether the secondary use, re-identification, and cross-border transfer of patient and trial participant data are appropriately managed and governed. • Recruitment, Evaluation, and Placement: Risk that AI-automated HR decisions generate disadvantages based on gender, age, race, nationality, disability, or other protected characteristics. • Access to Remedy: Concern whether individuals who suffer disadvantages from AI-driven decisions have access to clear mechanisms for appeal and redress. • Information Provision and Proper Use: Risk that medical and health information generated by conversational or generative AI leads to misinformation or deceptive, excessive promotion.	✓	✓	✓	✓	✓	✓	✓	✓
	Rising prices	Price hike negotiations	• Risk that rigid, mandatory pricing structures—driven by annual government price revisions and official drug tariffs—restrict pharmaceutical companies' ability to accept supplier price increases, thereby squeezing suppliers' margins and undermining efforts to improve wages and working conditions across the supply chain.			✓	✓	✓			
	Development of solutions	Development of solutions	• Risk that delays in establishing corporate systems to promote activities that protect rights-holders' rights—such as human rights due diligence—or practices such as “washing” may result in inadequate responses to human rights issues in the supply chain (including CDMOs, trading companies, and agents), thereby perpetuating rights violations	✓	✓	✓	✓	✓	✓	✓	✓
Community	Resources	Access to natural resources	• The threat of biological piracy by seeking natural compounds (e.g. medicinal herbs) that are used for drug development	✓	✓	✓					
	Environmental Impact of Pharmaceuticals	Health and Safety	• Pollution of the environment by animals, cells, medicines, chemicals, and waste plastics, which may harm the local population's right to a healthy life and spread contamination to the animals and plants on which they feed. • Misuse of water and land, and impacts on biodiversity, at factories and on local construction sites	✓			✓	✓		✓	✓
	Community Residents	Right to Residence	• Risk of infringing on residents' housing and land rights through forced evictions or displacement caused by the construction of new manufacturing plants and facilities. • Risk of violating residents' rights to a safe living environment due to delayed climate change mitigation and adaptation measures. • Risk of adverse local community impacts stemming from inadequate disaster prevention and emergency preparedness plans at factories and operating sites. • Risk of negatively affecting local residents' living environments through noise, offensive odors, or environmental hazards caused by industrial accidents or operational failures.	✓	✓		✓	✓	✓		✓
Relationships with governments	Operations in Conflict-Risk and Conflict-Affected Areas	Product Supply Risks	• The risk that clinical trials cannot be conducted or products cannot be supplied to people in need of medicines due to unstable social conditions • Indirectly contributing to conflicts in the region (products or funds)	✓	✓	✓	✓	✓	✓	✓	✓
	Bribery and Corruption	Relationships with Licensing Authorities	• Illegal acts may be committed in order to request smooth approval from the manufacturing and marketing licensees (central and local governments).		✓		✓	✓			
		Relationships with medical professionals (including researchers)	• Falsification of data on research, prescriptions, clinical trials, etc., and possible illegal acts in order to request the preparation of promotional data favorable to the company.	✓	✓	✓			✓		
	Healthcare Policy	Healthcare Access	• Risk that healthcare disparities in access to advanced medical treatments, high-cost therapies, and novel pharmaceuticals prevent patients from receiving appropriate and timely medical care.					✓	✓	✓	
	Relationships with countries with low awareness of human rights	Relationships with public policy	• Risk that cooperation with national and regional public health measures may be used by individuals with propaganda or political beliefs of authorities that disregard human rights. • Risk of receiving inappropriate medical care due to inadequate government measures against counterfeit medicines.			✓	✓	✓	✓	✓	✓
Access to remedies	Grievance	Relationships with patients and subjects	• Insufficient or underdeveloped systems may prevent appropriate remedies from being provided.		✓					✓	
		Employees/supply chain	• Insufficient or underdeveloped systems may prevent appropriate remedies from being provided.	✓	✓	✓	✓	✓	✓		✓
Consumers	Relationships with Patients	Health and Safety	• Insufficient measures against counterfeit pharmaceuticals				✓	✓		✓	✓
			• Risk of health hazards due to abuse, misuse, etc.					✓		✓	
			• Delayed reporting of adverse drug reactions						✓	✓	
			• Injuries caused by product defects or accidents during handling (including doctors, nurses, pharmacists, etc.)							✓	✓
			• Risk of investigational drugs/therapeutics being used on patients without sufficient prior explanation	✓					✓	✓	
			• Risk of adverse reactions due to medication, or health hazards to patients due to incorrect medication							✓	
			• Risk of inappropriate prescription or treatment due to exaggerated PR of product information							✓	✓
			• Risk of forced vaccination or violation of human rights by not ingesting vaccines	✓	✓	✓	✓	✓	✓	✓	✓
		Consideration for vulnerable subjects	• Lack of literacy about medicines and medical services may lead to inappropriate use and slander of others (including medical professionals) due to incorrect knowledge and understanding of medical care and medicines.							✓	✓
			• Lack of access to treatment for rare diseases	✓	✓						✓
			• Differences in accessibility to medical care and medicines due to a country's economic situation (low-income and high-income countries) may result in the inability to provide medicines in a timely and appropriate manner.		✓		✓		✓	✓	
			• Risk that language or disability-related barriers may prevent access to pharmaceuticals or related information							✓	✓
			• Risk that patients in medically underserved regions—such as remote islands, isolated rural areas, and depopulated communities—are unable to access appropriate and timely healthcare services.					✓	✓	✓	
			• Risk that the drug will not be approved and marketed in the country and will not reach patients despite clinical trials being conducted							✓	✓

Others	Public Health	Pandemic Response	•Deterioration of sanitary conditions and threat to human life in the community due to the pandemic	✓	✓	✓	✓	✓	✓	✓	✓	
			•Social unrest and deteriorating public safety due to a pandemic may hamper business activities and make it impossible to supply medicines.				✓	✓	✓	✓	✓	
			•In the event of a pandemic, supply of therapeutic drugs may not be able to keep up due to problems with production capacity, etc.				✓	✓	✓	✓	✓	
			•Inappropriate use of antimicrobial agents may lead to an increase in infections caused by drug-resistant (AMR: Antimicrobial Resistance) bacteria that are ineffective against existing antimicrobial agents, resulting in deterioration of public health and a risk to human life.								✓	✓

3.6 Logistics/ Infrastructure

Value Chain of Logistics/ Infrastructure

Buy: capital investment, procurement of vessels, vehicles, aircraft and fuel Sell: promotion, sales and marketing

Operation: operation (storage, logistics, transportation) Disposal: disposal, recycling

Human Rights Issues in Infrastructure			Specific Concerns	Value Chain				
				Create	Buy	Sell	Logistic	Disposal
Business Workplace including Supply Chain		Working Hours	Note: As an infrastructure industry, which is highly labor-intensive, certain operational tasks will remain reliant on manual human labor even as automation and mechanization advance in the future. • Risk of excessive overtime, midnight/early-morning shifts, and sudden unscheduled work occurring on-site and at subcontractor operations, particularly during peak seasons. • Risk that truck drivers face chronic long working hours to accommodate long-distance transportation demands. • Risk of excessive overtime and irregular late-night or early-morning shifts due to time zone differences when collaborating internationally during disruptions in international aviation and maritime operations. • Risk of unexpected late-night shifts, excessive overtime, and weekend work arising during natural disasters or international conflicts due to the highly public-interest nature of infrastructure operations. • Risk of excessive overtime caused by inadequate time tracking on-site, such as ambiguous distinctions between active working hours and standby/on-call waiting time. • Risk of excessive working hours driven by persistent labor shortages among certified specialists, mariners, truck drivers, and key supply chain personnel. • Risk that truck drivers and transport operators face forced overtime or struggle to comply with regulatory caps under the "2024 Problem" and work-style reform laws, leading to potential labor law non-compliance. • Risk that taking childcare or family care leave causes excessive overtime for remaining employees due to an inability to secure temporary coverage. • Risk that workforce shortages lead to inadequate training for technical staff, resulting in degraded work quality and subsequent extended working hours to resolve errors. • Risk of chronic, long-term working hours stemming from rapid expansion in the e-commerce market and delivery volumes.	✓	✓	✓	✓	✓
		Issues regarding fair wages	• Risk that workers face precarious employment conditions and a lack of long-term job security during off-peak seasons with reduced order volumes. • Risk of inadequate wage protection and financial support for non-regular or contingent workers. • Risk that wages fall below the living wage threshold required to support workers and their families adequately. • Risk that regulatory caps on truck drivers' working hours and increased labor costs from hiring additional drivers reduce individual earnings below living-wage levels. • Risk of wage inequities for equal work based on employment classification (e.g., regular vs. non-regular status). • Risk of nationality-based career discrimination, such as limiting promotion opportunities exclusively to employees of a specific nationality. • Risk that the wage gap widens between major corporations advancing pay raises and small-to-medium enterprises (SMEs) struggling to raise wage levels.	✓	✓	✓	✓	✓
	Workplace Treatment	Health and Safety	Note: Operations in the infrastructure sector inherently involve hazardous tasks, such as loading, unloading, and transporting heavy cargo, operating large machinery and vehicles, and working in close proximity to trains, aircraft, and vessels. Maintaining safety requires continuous daily efforts to manage and mitigate these risks. • Risk of occupational accidents occurring at sites handling heavy machinery or bulky cargo, such as dismantling sites, operating vessels, cargo terminals, aircraft, and airports. • Risk of employee health hazards or workplace accidents resulting from unstable or extreme working environments in outdoor sites or warehouses. • Risk to worker safety in areas with high geopolitical risks, including active conflict zones, pirate-infested waters, and strategic choke points like the Strait of Hormuz. • Risk of secondary life-threatening hazards occurring during natural disaster emergency responses due to the highly public-interest nature of infrastructure operations. • Risk of mental health issues arising from power harassment exacerbated by confined spaces, small crew sizes, or rigid chains of command, such as on board vessels or aircraft. • Risk of adverse health outcomes caused by mandatory holiday work or extended overtime required to cover for absent colleagues. • Risk of customer violence or business disruption directed at front-line staff, such as cabin crew, who interact directly with passengers. • Risk of inadequate medical care during severe illnesses while at sea, leading to heightened health risks and operational burdens. • Risk of negative health and safety impacts on workers from handling hazardous or novel alternative fuels. • Risk of increased physical burden on workers during outdoor maintenance, tank cleaning, warehouse operations, and cargo handling due to extreme weather, including severe heat and severe cold. • Risk of compounded disasters—such as severe weather combining with earthquakes or typhoons—increasing physical hazards during outdoor infrastructure inspection and recovery work, while forcing emergency holiday shifts and prolonged overtime. • Risk of employee human rights violations resulting from customer harassment, abusive behavior, or unreasonable demands at field sites or call centers. • Risk of child labor or forced labor occurring within operations or supply chains.	✓	✓	✓	✓	✓

		Employment Environment and Conditions	Note: To address anticipated labor shortages caused by population decline, workforce diversity and flexible employment arrangements have accelerated in recent years. This includes hiring contract, temporary, senior, foreign, and disabled workers, transitioning contract staff to permanent positions, and adopting shortened working hours or remote work options. • Risk that discrepancies between contract agreements and actual working conditions force employees to work under unagreed-upon environments or compensation structures. • Risk that diverse employees (differing in nationality, ethnicity, religion, gender, age, disability status, sexual orientation, or gender identity) experience inequitable treatment regarding working conditions, training opportunities, and career advancement across varied employment types (policy and structural aspects). • Risk of human rights infringements on female and diverse workers due to a lack of suitable workplace infrastructure (such as multi-purpose restrooms) in long-haul trucks, vessels, or field sites (physical facility aspects). • Risk that employment terms and pay stubs are not provided in languages understood by workers, leading to ongoing unfair labor practices under vague conditions. • Risk of rigid, standardized treatment failing to respect diversity and individual needs (e.g., in disability employment or SOGI accommodations). • Risk of deteriorating working conditions and compensation for senior employees under employment extension or delayed retirement schemes (such as failing to uphold equal pay for equal work due to age discrimination). • Risk of privacy violations resulting from living and working in confined or isolated environments (e.g., onboard vessels). • Risk of workplace harassment, including power harassment, sexual harassment, and maternity/paternity harassment. • Risk of data breaches compromising personal information of employees and supply chain workers in addition to customers. • Risk of restricting employees from selecting flexible work arrangements tailored to individual life circumstances and social needs. • Risk that long-duration assignments at sea cause seafarers' families back home to lack adequate support. • Risk of unequal training and development opportunities for field workers due to insufficient IT infrastructure and PC availability on-site. • Risk that multi-tiered subcontracting structures obscure accountability for labor conditions, leaving downstream workers vulnerable to unfair treatment. • Risk of job displacement and employment loss resulting from fuel transitions, automation, and industrial mechanization. • Risk that multi-tiered employment arrangements—including non-regular and contracted labor—create ambiguity around union eligibility or leave workers uninformed of collective bargaining rights, effectively preventing supply chain workers from exercising those rights.	✓	✓	✓	✓	✓
	Human Rights Issues in Supply Chains	Human rights violations associated with supply chain structures	• Risk that multi-tiered subcontracting structures create indirect contractual relationships, making it difficult to assess on-ground realities or exercise leverage, thereby increasing the likelihood of overlooking human rights risks. • Risk that geopolitical conflicts, energy supply disruptions, or cyberattacks prevent the maintenance of stable logistics operations, resulting in severe impacts on essential public lifelines. • Risk that extreme weather events, such as heavy rainfall and flooding, cause road closures or flight cancellations, disrupting logistics operations and severely impacting essential public lifelines.					
	Raw Material Procurement	Infringement of the rights of indigenous peoples and local communities	• The acquisition of development areas for sourcing raw materials in the country of origin may involve the relocation of indigenous peoples and local communities. (In cases where the company holds only a minority stake in securing such rights, its ability to take a leading role in addressing the issue is limited.) • Risk that noise and vibration from operations infringe upon local residents' rights to a safe and peaceful living environment.	✓				
		Human rights violations due to environmental pollution	• Around development areas in the country of origin, there is a risk of noise pollution, deforestation, water pollution, and depletion of water resources. (In cases where the company holds only a minority stake in securing such rights, its ability to take a leading role in addressing the issue is limited.) • Risk of air pollution caused by exhaust emissions from vessels and other means of transport during shipping. • Risk that high greenhouse gas (GHG) emissions accelerate global climate change, leading to human rights violations worldwide, particularly affecting vulnerable populations most susceptible to climate impacts.	✓	✓	✓	✓	✓
	Migrant workers (Considered a workforce that supports business operations)	Employment environment and conditions	*Note: For human rights risks generally applicable to workers across this industry—including migrant workers—refer to other relevant sections. This section specifically outlines human rights challenges to which migrant workers are particularly vulnerable. (General) • Risk that legal status maintenance hurdles and language barriers lead to unfair treatment regarding employment conditions and compensation. • Risk that migrant workers face social isolation due to a lack of language instruction and daily living support. • Risk that employers exploit workers' undocumented or irregular legal status to force them to work under severely disadvantageous terms. • Risk of forced labor resulting from employers retaining passports or identification documents, thereby restricting workers' freedom of movement and freedom to choose or leave employment. • Risk that failing to provide advance explanations of employment terms in a worker's native language forces them to work under unagreed-upon or unfavorable wages and conditions. • Risk of severe occupational accidents caused by inadequate safety training provided prior to departure in the country of origin or on the job. • Risk of forced labor resulting from workers paying exorbitant, illegal recruitment fees in their home countries (a risk particularly faced by technical interns in Japan). • Risk of treatment disparities arising from a failure to inform migrant workers and technical trainees about social norms, workplace rules, and safety measures; risk that this lack of instruction leads workers to inadvertently infringe upon the rights of others. • Risk of workplace injuries—especially at sites handling hazardous substances like pressurized gas—caused by failing to provide operational procedure training in workers' native languages. (Domestic / Japan) • Risk of unfair treatment and rights violations against foreign workers employed under the Technical Intern Training Program (TITP) or the Training and Employment Program. (Overseas) • Risk of human rights violations—such as child labor or forced labor—occurring among migrant workers within suppliers across global supply chains. • Risk of unpaid wages or wage theft occurring during pre-employment training or onboarding periods.	✓	✓	✓	✓	✓

Community	Services provided to Customer and areas	Safety	• Risk of causing health issues or unnecessary stress to diverse passengers due to the unique environment of enclosed spaces, long transit times, and restricted movement/seating. 【Aviation】 • Risk of causing health issues, unnecessary stress, or exposure to sexual offenses and crimes due to enclosed environments, high passenger density, and diverse customer demographics. 【Railways】 • Risk of delayed emergency response and first aid during sudden medical crises due to confined and enclosed spaces. • Risk of negative environmental or safety impacts on local communities from operating transport vessels or vehicles using hazardous alternative fuels. • Risk of passengers being trapped in vehicles or aircraft for extended periods due to flight or service delays caused by severe weather like thunderstorms. • Risk that transportation accidents jeopardize the health, safety, and daily livelihoods of local residents and consumers.					
		Service (Recipients of the provided service; risks associated with the inability to provide the service)	• Risk of denying equal access to public transportation services due to inadequate accommodations and assistance for diverse customers. • Risk that while maintaining route networks sustains local communities, line closures or service eliminations degrade community vitality and quality of life. • Risk that conflict-driven rerouting lengthens transport routes and inflates freight rates, triggering broader consumer price inflation. • Risk that increased disaster frequency causes service disruptions and transport delays, posing direct threats to the health, safety, and livelihoods of local communities and consumers. • Risk of intentional or accidental food contamination in storage facilities and transport networks before products reach end consumers (Food Defense) 【Food Logistics & Warehousing】 . 【Logistics】 • Risk that logistics bottlenecks and transport stagnation prevent the delivery of essential daily goods and lifelines. • Risk that delays in alternative fuel research and deployment accelerate climate change, threatening public well-being and daily life. • Risk that driver shortages force the cancellation or reduction of local bus services, severely restricting mobility for vulnerable groups and isolated populations.			✓	✓	
		Information Management	• Risk of data leaks or privacy breaches involving personal information entrusted to the company by customers. • Risk that systemic cybersecurity vulnerabilities expose operations to ransomware attacks, halting IT networks, disrupting business continuity, and compromising safe operations, thereby threatening the health, safety, and daily lives of local residents and consumers.					
		Community	• Risk that business expansion negatively impacts the living environments of neighboring communities, leading to issues such as forced relocation, noise pollution, or local water resource depletion. • Risk of indirect complicity in human rights abuses if energy products or resources sold by the company are diverted for use in armed conflicts or warfare. • Risk that company transportation routes or logistics networks are unwittingly used to transport weapons, munitions, or dual-use precursor materials.					
	Resources	Use of Natural Resources	*Note: Energy sources are rapidly diversifying beyond conventional fossil fuels to include unconventional natural gas, renewable energy, and biofuels. • Risk that fuel oil procurement causes environmental degradation in source regions, such as air pollution, water quality deterioration, and habitat destruction. [Procurement] • Risk that competition with edible oils diverts food feedstocks toward biofuel production, resulting in local food shortages. [Procurement] • Risk that exhaust emissions from heavy transportation vehicles along transit routes cause air pollution. [Transport] • Risk that oil spill accidents cause marine environmental destruction and severe negative impacts on aquatic ecosystems. • Risk that the construction and operation of transport infrastructure—such as factories, logistics centers, roads, railways, ports, and airports—cause soil contamination, water degradation, and air pollution. • Risk that the procurement and use of fossil fuels for vessels, aircraft, and support vehicles, combined with inefficient resource utilization, accelerate climate change and disproportionately harm vulnerable populations, including women, low-income groups, social minorities, and refugees. • Risk that procuring food products for onboard operations strains water resources and sanitation in supply regions, threatening human rights. 【Aviation】 • Risk that ballast water discharge negatively impacts regional marine ecosystems and ecosystem services, infringing upon the rights and livelihoods of local communities. 【Maritime Shipping】 • Risk that heavy reliance on single-region procurement for natural resources leads to supply chain blockages during geopolitical crises, failing to deliver necessary fuel to consumers and threatening public livelihoods. • Risk that improper disposal and scrapping of vehicles, vessels, and aircraft cause severe negative impacts on the environment. • Risk that scaling up production for novel alternative fuels, such as biofuels, fosters large-scale monoculture plantations that destroy local ecosystems and natural habitats. • Risk that workers in traditional fossil fuel sectors lose employment opportunities as the industry transitions to cleaner energy. • Risk that unverified safety profiles of emerging technologies and alternative fuels, such as wind or solar power equipment, negatively impact local communities. • Risk that limited access to community engagement and grievance mechanisms prevents the mitigation or remediation of environmental harms across the supply chain.	✓	✓	✓	✓	✓
		Use of Infrastructure	• Risk that vehicles, vessels, or aircraft damage roads, ports, airports, and other public infrastructure in operational territories. • Risk that infrastructure damage caused by natural disasters disrupts supply chain logistics and halts material flows. • Risk that cargo delays resulting from port worker strikes negatively impact customers and broader supply chain operations. • Risk that driver shortages, traffic accidents, or poorly maintained roads, tracks, and ports disrupt supply chain continuity. • Risk that declining passenger volumes driven by a shrinking and aging population make maintaining transport routes financially unsustainable. 【Railways】 • Risk that the construction and development of ports and airports alter marine and surrounding terrestrial environments.	✓	✓	✓	✓	
	Provision of Service	• Risk that accidents, acts of terrorism, natural disasters, or infectious disease outbreaks negatively impact the health and safety of general citizens, local stakeholders, and customers alike. • Risk that naval forces deployed to pirate-infested waters or high-risk geopolitical zones, or private security guards hired by individual companies for operations in low-security logistics hubs, exercise excessive force. • Risk that armed guards stationed aboard vessels exercise excessive force against crew members, passengers, or suspected pirates. 【Maritime Shipping】		✓	✓	✓		

Society and Government	Relationships with governments		• Risk of exposure to bribery and corruption, including the payment of facilitation payments. • Risk of involvement in improper government ties, bribery (financial or positional benefits), or corruption during negotiations with authorities for route development, capital investments, or securing upstream rights/interests in source countries (noting that controlling such risks is especially challenging in minority-stake joint ventures where direct leadership is limited). • Risk that policy lobbying or national ideologies aligned with human rights violations cause the company to become complicit in human rights abuses. • Risk that requisitioning of corporate assets or services during wartime or military conflicts results in indirect or direct complicity in human rights abuses.	✓	✓	✓	✓
	Relationships with societies		• Risk that greenwashing or sustainability washing prevents stakeholders from receiving—or leads the company to disseminate—accurate information. • Risk that inadequate engagement with stakeholders creates a disconnect between the company's awareness and general societal perceptions of human rights issues. • Risk of infringing upon human rights due to an inability to keep pace with tightening regulations in progressive regions such as Europe, or a failure to recognize emerging human rights concepts and legal requirements.	✓	✓	✓	✓
Digitization□			• Risk that technological advancements (AI, IoT, facial recognition, etc.) give rise to unforeseen privacy and human rights issues, as well as novel forms of cyberterrorism. • Risk that disparity in IT adoption between onshore operations and shipboard environments widens the gap in workload and working hours between land-based and seafaring personnel. • Risk that adopting AI and digital automation across transportation flows to solve labor shortages and reduce human error leads to workforce reductions and job displacement. • Risk that cyberattacks, such as ransomware, cause system outages or leaks of personal and confidential data, severely infringing upon the privacy and human rights of customers and employees. • Risk that implementing AI in recruitment and performance evaluations results in unfair decisions based on gender, race, or age due to biased training data, or leads to arbitrary output manipulation through intentional over-fitting and data tampering. • Risk that relying on AI decision-making leads to the adoption of unethical supply chains involving low-wage exploitation or child labor during model development and operation, thereby contributing to human rights abuses against workers.	✓	✓	✓	✓
Others	Illicit trade, Smuggling	Human Trafficking	• Risk of unintentionally engaging in illicit transportation or human trafficking without recognizing the associated risks. • Risk of unintentionally transporting stowaways. 【Shipping industry】 • Risk of transporting prohibited goods. • Risk of unknowingly transporting conflict minerals or products made with forced labor. • Risk of inadvertently using products made with forced labor as company supplies.	✓	✓	✓	
	Access to Remedy		• Risk that individuals affected by general human rights issues are left without effective access to remedy. • Risk that workers employed by tier-2, tier-3, and lower-tier suppliers are unable to access grievance and remedy mechanisms. • Risk that victims are deterred from seeking remedy due to a lack of psychological safety, such as absence of anonymity options, unassured confidentiality, or lack of non-retaliation protections. • Risk that workers cannot access remedy because grievance channels are not communicated or available in languages they understand. • Risk that affected parties across the supply chain are unable to seek resolution due to a complete lack of operational grievance mechanisms or poor awareness of existing ones. • Risk of failing to provide timely and adequate remedy for complex or prolonged human rights issues. • Risk that seafarers are unable to access grievance and remedy mechanisms due to limited internet connectivity and communications onboard vessels. 【Maritime Shipping】 • Risk of failing to deliver appropriate remediation due to a lack of institutional capacity, expertise, or operational know-how. • Risk that individuals affected by general human rights issues are left without effective access to remedy. • Risk that workers employed by tier-2, tier-3, and lower-tier suppliers are unable to access grievance and remedy mechanisms. • Risk that victims are deterred from seeking remedy due to a lack of psychological safety, such as absence of anonymity options, unassured confidentiality, or lack of non-retaliation protections. • Risk that affected parties across the supply chain are unable to seek resolution due to a complete lack of operational grievance mechanisms or poor awareness of existing ones. • Risk of failing to provide timely and adequate remedy for complex or prolonged human rights issues. • Risk that seafarers are unable to access grievance and remedy mechanisms due to limited internet connectivity and communications onboard vessels. 【Maritime Shipping】 • Risk of failing to deliver appropriate remediation due to a lack of institutional capacity, expertise, or operational know-how.	✓	✓	✓	✓

3.7 Consumer Goods Industry (Cosmetics and Household Goods)

Human Rights Issues in Consumer Goods Industry			Specific Concerns	Value Chain					
				R&D	Procure	Manufacture	Logistics	Advertising	Use
Own employees/suppliers	Workplace Treatment	Working Hours	• (a) production plans that incorporate overtime work and the need to absorb delays in upstream plans on the shop floor; (b) wage levels that are not in line with local living standards; (c) piece-rate wage systems; or (d) the possibility of long working hours due to reasons on the factory side, such as large quantities of defective or reworked products, (c) Piece-rate wage system, or (d) Long working hours may occur due to reasons on the factory side, such as a large volume of defective or reworked products. • Risk of long working hours caused by excessive customer service demands or unclear goal setting leading to inflated workloads. • Risk of insufficient labor management or intentional failure to grant legally mandated holidays, as well as non-compliance with limits on overtime work. • Risk of a chronic inability to ensure overtime limits and minimum required rest periods, especially since the introduction of remote work after the COVID-19 pandemic, due to ineffective management. • Risk of long working hours in Japan in particular, including unpaid overtime, working through breaks, and excessive workloads for managers. • Risk of workload imbalances caused by increased uptake of childcare leave, caregiving leave, or the introduction of a four-day workweek. • Risk of workload imbalances due to lack of replacement hires following workforce reductions or the presence of employees on shortened working hours. • Risk of shifting burdens to business partners by reducing in-house working hours or prioritizing high-value-added outputs to meet diverse needs.	✓	✓	✓	✓	✓	✓
		Wages	• Risk that cost-cutting pressures from manufacturers and retailers prevent price pass-through, resulting in failures to pay minimum or living wages, primarily among suppliers. • Risk that frequent statutory minimum wage revisions in certain countries lead to non-compliance with minimum wage standards. • Risk that inadequate legal compliance or deficiencies in labor management result in failure to pay proper premium rates for overtime work. • Risk of non-compliance with equal pay for equal work principles. • Risk of gender-based wage gaps and pay disparities. • Risk that fair, performance-aligned compensation based on productivity is not provided. • Risk that sharp currency exchange rate fluctuations severely impact workers' living standards. • Risk that cost increases driven by rising raw material prices are passed down to suppliers and contractors, resulting in depressed wages and excessive working hours for laborers.	✓	✓	✓	✓	✓	✓
		Harassment	• Risk of being subjected to physical, sexual, psychological, or verbal harassment and abuse. • Risk that focus on sales promotion initiatives may reduce the time allocated for awareness-raising activities to prevent harassment. • Risk that foreign workers, technical intern trainees, and their families may become isolated due to insufficient explanations, including in their own language. • Risk that Japanese employees, without understanding the differences in visa status, may impose the same work as other employees on foreign workers. • Risk that harassment consultation desks may not function properly, failing to lead to resolution. • Risk that work arrangements or workplace environments lacking consideration for LGBTQ individuals, religion, or disabilities may be perceived by employees as harassment. • Risk that discrimination based on pregnancy or childbirth may force employees into unwanted working conditions. • Risk that the company may fail to protect employees from external harassment, resulting in human rights violations (customer harassment).	✓	✓	✓	✓	✓	✓
		Disciplinary action/change of treatment	• Risk of unfair punishment or treatment due to unclear provisions in work rules or their arbitrary application. • Risk that foreign workers and technical intern trainees may not receive sufficient explanations, including in their own language. • Risk of unfair dismissal or forced repatriation of foreign workers due to pregnancy (including cases where maternity/childcare leave systems are not in place). • Possibility of unfair dismissal or similar actions occurring not only in Japan but also at overseas group companies. • Risk that, upon resignation, employees may be encouraged to declare voluntary resignation when it should be classified as company-initiated termination.	✓	✓	✓	✓	✓	✓
		Discrimination	• Possibility of receiving unequal treatment in work environment, training, or promotion opportunities due to insufficient understanding of differences such as gender, age, race, nationality, religion, LGBTQ status, or disability. • Risk that when AI technologies are used as a basis for decisions regarding promotions or transfers, biases in the underlying big data (e.g., race, gender, age) could influence judgment results, causing disadvantages to the individuals concerned. • Risk of being unable to work authentically due to unreasonable restrictions on personal appearance (e.g., clothing, hairstyle) without legitimate grounds.	✓	✓	✓	✓	✓	✓
	Freedom of association	Freedom of association, right to collective bargaining	• The union may refuse to form a labor union, refuse to bargain collectively without just cause, or treat union members unfairly or dismiss them. • Risk of dismissal on the grounds of strike action	✓	✓	✓	✓	✓	✓
	Grievance mechanisms	Effectiveness of reporting channels for employees	• Risk that a grievance mechanism is not established, or that it exists but is non-functional (e.g., insufficient protection for whistleblowers, unclear scope of eligible persons, lack of clarity on what types of reports are accepted, leading to a purely nominal reporting channel). • Risk of failing to capture reports of human rights violations from vulnerable groups due to lack of multilingual support. • Risk of lacking sufficient expertise in handling grievance cases, leading to neglect of human rights violations or causing secondary harm. • Risk that confidentiality is not maintained. • Risk that individuals refrain from reporting due to the belief that confidentiality will not be protected.	✓	✓	✓	✓	✓	✓
	Security Management	Employment, Working Conditions, and Privacy	• Risk that business downsizing or termination of commercial relationships results in job losses or reduced wages for direct employees and supply chain workers. • Risk that heavy workloads associated with system recovery concentrate on specific personnel, leading to prolonged working hours and mental health issues. • Risk that personal data breaches expose employees and consumers to fraud, identity theft, or discriminatory treatment.	✓	✓	✓	✓	✓	✓
	Health and Safety	Physical and Mental Health	• Risk that inadequate management oversight by the company damages employees' physical and mental health. • Risk that remote work leads to communication gaps, causing mental health issues among employees. • Risk that insufficient information sharing and corporate support during operational crises place excessive stress on workers.	✓	✓	✓	✓	✓	✓
		Safety and Health Management	• Risk that inadequate health and safety instruction, emergency response training, and hazardous chemical education result in harm to workers. • Risk that insufficient safety checks by management leave hazardous working conditions unaddressed. • Risk that inadequate controls for noise, vibration, lighting, temperature, or ventilation cause adverse health effects for workers. • Risk that deteriorating facilities or poorly maintained emergency exits and evacuation routes pose direct physical hazards to workers.		✓	✓	✓	✓	✓
		Consideration for vulnerable workers	• Risk that inadequate multilingual support and reasonable accommodations for foreign and disabled workers compromise their physical health, mental well-being, and workplace safety. • Risk that pregnant women, new mothers, or young workers are assigned to hazardous or harmful tasks.	✓	✓	✓	✓	✓	✓
		Housing and dormitory conditions	• Risk that housing for foreign workers fails to meet statutory or international standards, resulting in physically or mentally inadequate living conditions.	✓	✓	✓			
		Extreme weather and natural disasters	• Risk that inadequate measures for evacuation, rest, hydration, or work suspension during natural disasters or extreme weather—such as earthquakes, typhoons, torrential rains, floods, or extreme heat—lead to worker health damage or occupational accidents. • Risk of severe stress or compromised worker safety due to forced work during disaster-grade weather events, such as localized torrential rains and typhoons, or natural disasters like earthquakes. • Risk that failure to provide tailored accommodations for foreign workers, persons with disabilities, and individuals with specific needs—including, but not limited to, community integration support, multilingual manuals, and targeted alerts on Japan-specific seasonal illnesses, regional natural hazards, and cultural or language differences—compromises their physical and mental health and safety.	✓	✓	✓	✓	✓	✓

Suppliers	Child labor	Minimum age	•The possibility that child labor under the minimum age may be performed without identification or on the basis of false identification. •Child labor under the minimum age may be performed due to poverty. •Risk of child labor under the minimum age in raw material procurement (plantations, mining sites, etc.) •Risk of child labor in the workforce, including temporary workers, contractors, etc.	✓	✓	✓			✓
	Forced Labor	Forced labor Forced overtime, human trafficking, foreign workers	•Risk of being forced to work through violence, threats of violence, financial exploitation (including bribes to intermediaries), passport confiscation, or other forms of intimidation. •Risk that, due to the absence of written labor (employment) contracts or lack of multilingual documentation, workers are made to work under conditions to which they have not agreed. •Risk that insufficient oversight of supervising organizations or sending agencies dispatching foreign technical intern trainees results in the exploitation of migrants, refugees, or technical interns in forced labor. •Risk that excessive overtime beyond legal limits for foreign technical intern trainees becomes normalized, leading to the situation being regarded as forced labor (including failure to conduct regular interviews with the workers concerned). •Risk that the lack of multilingual implementation or operation of stress checks results in the development of mental health issues.	✓	✓	✓			✓
	Assessment	Human rights violations at suppliers	•Risk that failure to conduct adequate due diligence or to exercise leverage may contribute to human rights violations at upstream suppliers, such as secondary suppliers and contract manufacturers. •Risk that lack of on-site interviews or reality checks with socially vulnerable groups — including foreign employees of suppliers, technical intern trainees, and implementing organizations (companies where trainees work) — may result in human rights violations going unremedied.	✓	✓	✓			✓
	Grievance Mechanisms	Effectiveness of supplier reporting channels, escalation process, and remedies	•No grievance mechanism is in place, or one exists but may not be functioning effectively (e.g., insufficient protection for whistleblowers or unclear scope of eligible persons; inadequate communication of the types of reports accepted, leading to the reporting channel becoming a mere formality). •Lack of multilingual support, creating a risk of failing to capture reports of human rights violations from vulnerable groups. •Insufficient expertise in handling grievance cases, creating a risk of leaving human rights violations unaddressed or causing secondary harm. •Risk of confidentiality not being maintained. •Risk that parties concerned may refrain from reporting because they believe confidentiality will not be preserved.	✓	✓	✓			✓
	Mutual information management system		•Risk that inadequate information-sharing systems with primary and subsequent tier suppliers may contribute to the occurrence of human rights issues affecting supplier employees.	✓	✓	✓			✓
Business Partners	M&A	HR Assessment in M&A acquisition audits	•Risk that, during due diligence, the human rights assessment of a potential M&A target is insufficient, resulting in human rights violations not being remedied. •Risk of lack of consideration for employees of the acquired company during the post-acquisition stage when unifying and embedding assessments, rules, and policies.	✓	✓	✓	✓	✓	✓
	Business partners	Human rights violations at Business partners	•Risk that, regardless of whether upstream or downstream, if human rights issues arise within a business partner's organization, such human rights violations may not be remedied.	✓	✓	✓	✓	✓	✓
	Logistics contractors	Labor environment	•Risk that unreasonable requests for tight delivery deadlines by manufacturers or sellers to upstream suppliers may lead to chronic long working hours and excessive workloads. •Risk that failure to reform business practices, or failure to adequately consider supply chain management (SCM) functions when shifting business models (e.g., due to an increase in e-commerce ratio), may result in chronic long working hours and excessive workloads for employees of logistics contractors.				✓		
	Employment applicants		•Risk of human rights violations against job applicants, such as discrimination based on academic background, gender, race, or nationality, harassment, and leakage of personal information. •Possibility of conducting discriminatory recruitment and hiring practices by imposing restrictions based on gender, age, race, nationality, religion, LGBTQ status, or presence of disabilities. •Risk that when AI technologies are used as part of the hiring decision-making process, bias in the dataset attributes (such as career history, gender, or age) may occur, causing disadvantages to the applicant.	✓	✓	✓	✓	✓	✓
Society	Local residents	Health hazards in daily life	•Air pollution, chemical emissions, and wastewater from business operations may harm the health of local residents.	✓	✓	✓	✓	✓	✓
		Human Rights Defender	•Risk that human rights defenders (such as activists) may be subjected to pressure, resulting in disadvantages or harm to themselves or their communities.						
		Infringement on living space and time	•Risk of infringing upon the land rights of indigenous peoples or local communities due to the construction of new sites and similar developments. •Risk of adverse impacts on residential areas, such as noise, air pollution, and traffic safety, arising from business operations.	✓	✓	✓	✓	✓	✓
	Natural environment	General	•Risk that insufficient progress in “greening the economy” and addressing various natural environmental issues may fail to mitigate negative impacts on the natural environment, thereby impairing the right to a clean, healthy, and sustainable environment for current and future generations.	✓	✓	✓	✓	✓	✓
		Water Stress	•Risk of water shortages due to excessive water use. •Risk that improper treatment of industrial water may result in wastewater discharge, preventing local residents from accessing sufficient quantities of safe water.	✓	✓	✓			✓
		Climage Change	•Risk that large CO₂ emissions and other factors may hinder the mitigation of global warming, adversely affecting the global environment and all stakeholders.	✓	✓	✓	✓	✓	✓
		Terrestrial resources	•Risk that manufacturing products without regard for the local environment may adversely affect the conservation of forest ecosystems. •Risk of illegal waste dumping due to abandonment of waste or failure to use appropriate disposal contractors.	✓	✓	✓	✓	✓	✓
		Marine resources	•Risk that overfishing of marine resources may adversely affect the conservation of marine ecosystems. •Risk that insufficient wastewater treatment at factories or the discharge of hazardous substances may negatively impact the marine environment. •Potential impacts include effects on fishery workers, the tourism industry, countries whose economies depend on tourism, and ecosystems (e.g., depletion of fish stocks and impacts on livelihoods).	✓	✓	✓	✓	✓	✓
	Relationships with governments	Bribery and corruption	•Risk that bribery during the process of obtaining permits or licenses may cause adverse impacts on the surrounding environment and local residents.	✓	✓	✓	✓	✓	✓
		Relationships with high human rights risks	•Risk of contributing to human rights violations by accommodating or aligning with countries that have high human rights risks.	✓	✓	✓	✓	✓	✓
	AI		• Risk that AI generates institutional structures or operational frameworks that fail to respect human rights. • Risk that confidential company information or personal data input into AI systems is improperly leaked, mismanaged, altered, or unauthorizedly transferred and utilized. • Risk that biased AI algorithms or hallucinatory/inaccurate outputs lead to the spread and misuse of inappropriate information. • Risk that varying levels of access to AI technologies—driven by individual skills or environmental disparities—place non-users at a severe disadvantage. • Risk that aggressive efficiency demands driven by AI implementation lead to excessive working hours and human rights abuses at subcontracted suppliers. • Risk that over-reliance on AI or erroneous AI-generated data results in quality and safety issues or flawed corporate decision-making. • Risk that invasive behavioral profiling for purchasing or the use of deepfakes infringes upon consumer privacy and misleads the public. • Risk that inadequate governance of AI systems leads to non-compliance with regulations such as the EU AI Act, copyright infringement, or human rights violations.	✓	✓	✓	✓	✓	✓
Geopolitical risk	War	Raw material shortages	• Risk that switching suppliers or procurement routes due to raw material shortages leads to sourcing from high-risk regions or vendor entities with severe human rights vulnerabilities. • Risk that the burdens of price spikes and delivery delays are shifted onto suppliers and logistics providers, resulting in depressed wages, excessive working hours, or workplace accidents. • Risk that using alternative raw materials or modifying manufacturing processes lowers product quality and safety or leads to mislabeling, directly harming consumers. • Risk that restricted ability to conduct local audits or gather field data hinders the detection and remediation of human rights violations across the supply chain.	✓	✓	✓	✓	✓	✓

Customer	Relationships with consumers	Health and Safety	•Risk of insufficient measures to improve product quality and safety, thereby reducing risks to consumers.	✓	✓	✓	✓	✓	✓	✓	✓
			•Risk that consumers may be disadvantaged if correct information is not communicated, resulting in failure to follow proper usage instructions.	✓					✓	✓	✓
			•Risk that insufficient improvement of traceability for materials and products may result in disadvantages to consumers.	✓	✓	✓	✓	✓	✓	✓	✓
			•Risk that inadequate communication of safety precautions may harm consumer safety.						✓	✓	✓
		Privacy	•Risk that access to hygiene products and similar items may be hindered, causing disadvantages to consumers.							✓	
			•Risk that customer records, monitor data, surveillance camera footage, purchasing behavior through electronic purchasing or point systems, privacy information contained in cookies, and personal information such as delivery addresses may be leaked, improperly managed, altered, or transferred, and used inappropriately.								
			•Risk that sellers or manufacturers fail to clearly indicate, or use overly complex language in, policies or contact points regarding the handling of privacy information (including facial images) obtained through various simulators and diagnostic devices, resulting in consumers being unable to fully understand how their information is handled and thereby suffering misunderstanding, anxiety, or disadvantage.	✓				✓	✓	✓	✓
			•Risk that sellers or manufacturers, prioritizing marketing activities, use personal information (such as website browsing history, electronic purchasing history tracking, or recommendation functions) without obtaining the consumer's consent.								
			•Risk that personal information is leaked against the customer's will, resulting in disadvantages in their daily life.								
		Respect for the individual	•Risk that advertising, marketing, or sales activities may reinforce uniform concepts of beauty, gender, generation, or other stereotypes.	✓					✓	✓	✓
			•Risk that the use of AI or similar technologies may lead to consumer misconceptions or promote stereotypes through algorithms or information provision.								
		Children's health and safety	•Risk of violating children's rights, hindering healthy development, or threatening safety and health by failing to provide sufficient information on usage, quality, or skin knowledge in product use and educational materials.						✓	✓	✓
			•Risk of unequal access to products that meet the needs specific to children's developmental characteristics.								
			•Risk of delayed or inadequate response to children due to the absence of an ethical marketing policy.								
		Harassment and Discrimination	•Risk of human rights violations due to failure to conduct prior checks to ensure that advertising and marketing do not induce discrimination or harassment.								
			•Risk of advertising, marketing, or sales activities evoking associations with discrimination or bullying, thereby creating the impression of condoning or encouraging such behavior.								
			•Risk of consumers suffering disadvantages in purchasing or usage scenarios due to differences in gender, age, nationality, race, religion, LGBTQ status, or presence of disabilities.						✓	✓	✓
			•Risk of product promotional expressions being perceived as verbal abuse.								
		Sustainable Society	•Risk of negative environmental impacts from the disposal of plastic products, containers, and packaging.								
			•Risk of exacerbating negative environmental impacts by failing to limit the use of virgin plastics in containers and packaging materials, thereby not fostering consumer awareness of plastic reduction.	✓	✓	✓	✓	✓	✓	✓	✓
			•Risk of exacerbating negative environmental impacts by failing to engage consumers in initiatives that raise environmental awareness.								
			•Risk of undermining consumers' waste disposal awareness and exacerbating negative environmental impacts by not providing easily separable containers and packaging.								
		Monitoring & Assessment	•Risk that human rights violations caused by advertising and marketing, or by statements from individual employees or consumers, are not proactively identified (e.g., through social media monitoring or customer service channels) and therefore not remedied.						✓	✓	✓
			•Risk that when human rights violations occur through advertising, marketing, sales activities, or business operations, lessons learned are not applied to future business activities, resulting in recurrence.								
		Lifestyle	•Risk that consumers are unable to make choices aligned with their individual lifestyles and values (e.g., religion, CO2 emissions, animal welfare, plastic use) because companies fail to provide adequate information to support informed decision-making, or due to advertising practices such as greenwashing and stealth marketing, leading to choices contrary to consumers' intentions or restricting their freedom of choice.						✓	✓	✓
		Accessibility	• Risk that product labeling, instruction manuals, e-commerce sites, mobile apps, and customer support centers fail to accommodate persons with disabilities and the elderly, thereby obstructing equal access to product information and services.	✓		✓			✓	✓	✓
			• Risk that production halts or shipping suspensions compromise product safety and disrupt public access to essential daily goods.								

3.8 Apparel Industry

Creation: research, development, design **Buying:** construction of facilities, procurement (fabrics, subsidiary materials) **Manufacturing:** production, manufacturing (sewing) **Transportation:** storage, logistics **Sales:** sales, marketing, retail

Use: consumption, utilization, maintenance and servicing, packaging (wrapping) **Discard:** disposal, recycling, waste plastic

Human Rights Issues in Apparel Industry			Specific Concerns	Value Chain					
				Create	Buying	Manufacturing	Transport	Sales	Discard
Businesses / Supply Chain	Treatment in the Workplace	Working Hours	• Risk that production plans premised on overtime, or situations where delays in upstream planning are absorbed at the sewing site, combined with wage levels not aligned with local living standards, piece-rate pay systems, or large volumes of defective/repair work due to factory-side causes, may lead to excessive working hours (affecting workers in own factories or at contract manufacturers). • Risk that inappropriate working time management results in the failure to grant legally mandated days off or in exceeding statutory overtime limits (affecting own employees or workers in own factories or at contract manufacturers). • Risk that lack of understanding of the actual working conditions of technical intern trainees leads to violations of labor standards (Japan) (affecting trainees in domestic sewing factories or at contract manufacturers). • Risk that inability to provide support in the local language to foreign workers, including technical intern trainees, results in insufficient living support and care, and social isolation (Japan) (affecting trainees in domestic sewing factories or at contract manufacturers); communication with trainees may take significant time, limiting adequate support. • Risk of unpaid overtime, overwork of managers, and excessive workloads for nominal managers (Japan) (affecting own employees). • Risk of excessive working hours arising from telework (Japan) (affecting own employees). • Risk of overtime caused by external factors such as changes in national policies or political situations (e.g., conflicts, lockdowns) (affecting workers in own factories or at contract manufacturers). • Risk that insufficient understanding of local or global laws leads to prolonged working hours (affecting workers in own factories or at contract manufacturers). • Risk that increased workloads due to responding to social demands such as 3R activities (e.g., recycling collection) contributes to excessive working hours. • Risk that foreign workers (e.g., from China, Southeast Asia) engaged in sewing or sales positions return to their home countries due to overseas situations (e.g., COVID-19 impacts), leading to labor shortages and overwork (affecting own employees or workers at contract manufacturers).	✓	✓	✓	✓	✓	✓
		Wages	• Risk that cost-cutting pressures from buyers result in non-compliance with minimum wage (living wage) standards (overseas own factory or contract manufacturer workers). • Risk that in some countries, frequent revisions to the minimum wage lead to non-compliance (overseas own factory or contract manufacturer workers). • Risk that insufficient legal compliance or inadequate work time management results in failure to pay appropriate compensation for overtime (own employees, workers in own factories or at contract manufacturers). • Risk that fair compensation commensurate with productivity (considering raw material price hikes, currency fluctuations, etc.) is not paid (own employees, workers in own factories or at contract manufacturers). • Risk of unequal pay for equal work between regular and non-regular employees (including foreign workers such as technical intern trainees) (own employees, workers in own factories or at contract manufacturers). • Risk that changes in the socio-economic environment (e.g., inflation) lower real wages, undermining workers' living standards (own employees, workers in own factories or at contract manufacturers). • Risk that the status of gender pay gaps is not understood, leading to the existence of such gaps; low ratio of female executives; lack of proactive promotion of women (own employees, workers in own factories or at contract manufacturers).	✓	✓	✓	✓	✓	
		Health and Safety	• Risk that safety and health education (including multilingual support), covering disaster drills, first aid training, and handling of hazardous chemicals, is not thoroughly implemented (own employees, workers in own factories or at contract manufacturers). • Risk that due to external factors, safety and health education or health checkups are not properly conducted, increasing safety and health risks for employees (own employees, workers in own factories or at contract manufacturers). • Risk that harmful working environments (noise, vibration, lighting, room temperature, ventilation, local exhaust, etc.) are not addressed, causing health damage (own employees, workers in own factories or at contract manufacturers). • Risk that pregnant women, young workers, or others are assigned to dangerous or hazardous work (own employees, workers in own factories or at contract manufacturers). • Risk that personal protective equipment (PPE) is not provided in dangerous or hazardous workplaces, and that appropriate training is not conducted, resulting in harm to workers (workers in own factories or at contract manufacturers, including foreign workers such as technical intern trainees). • Risk that machinery and equipment subject to inspection obligations are not inspected, or that protective devices are inadequate, resulting in harm to workers (own employees, workers in own factories or at contract manufacturers). • Risk that building deterioration, illegal construction, or non-compliance related to emergency exits and evacuation routes causes harm to workers (own employees, workers in own factories or at contract manufacturers). • Risk that improper storage of chemicals leads to accidents or health damage (own employees, workers in own factories or at contract manufacturers). • Risk that production workers unable to telework experience anxiety about infection or stress, leading to mental health problems (Japan) (own employees). • Risk that lack of community building among foreign workers, including technical intern trainees, leads to loneliness or anxiety, potentially resulting in disappearance or criminal behavior. • Risk of mental health issues arising from privacy violations, such as personal information leaks or the introduction of remote work monitoring tools (own employees, workers in own factories or at contract manufacturers). • Risk of mental health problems (e.g., customer harassment, defamation, stalking) occurring in interactions or points of contact with customers (such as in-person service or social media), or risk that adequate resolution mechanisms are not established (own employees). • Risk of mutual mental health problems (stress) arising from lack of understanding of differences in national customs and cultures (own employees, workers in own factories or at contract manufacturers). • Risk of increased long working hours due to sudden changes in social conditions, leading to mental health problems (own employees, workers in own factories or at contract manufacturers). • Risk that internal standards or domestic laws regarding occupational safety (e.g., hazardous substances management, work environment) do not meet global legal standards. • Risk of negative health impacts caused by excessive workload due to poor work balance or insufficient staffing. • Risk that failure to implement animal welfare measures results in poor animal breeding environments, harming the mental health of workers at such sites. • Risk that complying with stricter regulations in Europe increases corporate burdens, including higher costs and extended working hours. • Risk that inadequate sanitation facilities, such as an insufficient number of restrooms, cause adverse health effects for workers. • Risk that non-gender-segregated restrooms compromise worker privacy.	✓	✓	✓	✓	✓	✓
		Disciplinary Action	• Risk of unfair disciplinary actions or treatment due to inappropriate provisions in the employment rules (own employees, workers in own factories or at contract manufacturers). • Risk that non-regular employees are forced into unfair contracts without proper explanation, leading to unfair dismissal or other adverse actions (non-regular employees within the company and across the supply chain).	✓	✓	✓	✓	✓	

Community	Environment Resources	Climate Change	• Risk of excessive CO₂ emissions from overconsumption of electricity at production factories and retail stores. • Risk of CO₂ emissions resulting from mass production and mass disposal conducted irresponsibly (without planning). • Risk of employee health deterioration due to heatstroke and other climate-related conditions (own employees, workers at own factories, or workers at production contractors). • Risk of layoffs due to factory closures or relocations of production sites prompted by the impacts of climate change (own employees, workers at own factories, or workers at production contractors). • Risk of accelerating global warming by outsourcing production without advancing CO₂ emissions reduction in the supply chain. • Risk of indirectly increasing environmental impacts by insufficiently assessing energy usage, renewable energy utilization, and other factors in each production process of the company or suppliers, leading to more orders for high-impact materials or products. • Risk of accelerating global warming due to increased CO₂ emissions from logistics as e-commerce sales expand.	✓	✓	✓	✓	✓	✓	✓
		Water Stress	• Risk of health damage to surrounding residents and adverse effects on the local environment due to large-scale water use and river pollution caused by harmful chemicals at tanneries, dyeing factories, plating factories, and similar facilities (surrounding residents). • Risk of water depletion and water pollution during the production of raw materials (cotton, cattle, natural rubber) as a result of large-scale water usage (surrounding residents).	✓	✓	✓				
		Biodiversity conservation	• Risk of adversely affecting the conservation of forest ecosystems due to the manufacturing of wooden products (paper materials), impacting indigenous peoples living within forest ecosystems. • Risk of ocean pollution caused by microplastics generated during the washing of synthetic fiber products, affecting all humankind. • Risk that materials procured through supply routes with unclear traceability are contributing to environmental and soil pollution (e.g., organic cotton, wool) (surrounding residents). • Risk of environmental destruction in surrounding areas due to the inability to maintain sustainable rearing environments for cattle, sheep, goats, and other livestock.	✓	✓	✓	✓	✓	✓	✓
		Depletion of natural resources	• Depletion of finite natural resources such as oil and gas. • Risk of contributing to climate change and extreme weather events due to excessive use of resources. • Risk that naphtha shortages and price spikes triggered by global conflicts lead to raw material deficits, rendering business continuity difficult. • Risk of depleting limited resources as a result of wasteful product design that generates large amounts of fabric offcuts during the cutting process.	✓	✓	✓	✓	✓	✓	✓
		Waste management	• Risk of illegal dumping of waste due to leaving waste unattended or using unqualified disposal contractors. • Risk of environmental damage from failure to implement waste reduction measures. • Risk of environmental pollution caused by the use of non-biodegradable materials. • Risk of disrupting recycling systems by using biodegradable plastics unnecessarily for materials such as combustibles.	✓	✓	✓	✓	✓	✓	✓
		Indigenous rights	• Risk of threatening the livelihoods of residents in raw material producing countries (e.g., cotton, pulp) through displacement, violence, etc. • Risk of causing environmental pollution and health damage to local residents in developing countries where legal systems are not well established, even while complying with local laws. • Risk of violating the health and human rights of indigenous peoples due to insufficient traceability management leading to unintended disposal of products in certain areas (e.g., the “clothing graveyard” case in Kenya). • Risk of threatening the livelihoods of new indigenous communities by expanding operations inland to reduce costs.	✓	✓	✓	✓			
	Discrimination	Diversity	• Risk of discrimination through inappropriate expressions in advertising and other media (e.g., unconscious bias, LGBTQ+ issues). • Risk of jeopardizing the continuation of the Technical Intern Training Program due to excessive negative perceptions of the system itself (domestic factory technical interns). • Risk of reinforcing stereotypical gender biases in advertising, promotion, or social media sales activities (e.g., using specific colors targeted exclusively for women or men). • Risk that insufficient mutual understanding and dialog regarding workers' religious and cultural backgrounds lead to the forced imposition of practices against their will, workplace isolation, or discrimination.	✓	✓	✓	✓			
Consumer	Relationships with consumers	Awareness	• Risk of failing to build a circular economy system (e.g., use of recycled or circular materials) due to insufficient initiatives to raise consumer awareness of recycling. • Risk of misleading consumers and hindering their intended purchasing decisions due to insufficient provision of accurate information on certified or sustainable materials. • Risk of engaging in greenwashing practices, leading to consumer misunderstanding and obstructing ethical purchasing behavior.	✓	✓	✓	✓	✓	✓	✓
		Health and Safety	• Risk to consumers arising from insufficient efforts to improve product quality and safety. • Risk of health hazards caused by the presence of harmful substances in final products. • Risk to consumer safety from defects in battery-powered wearables or wearable devices, such as fire or explosion incidents. • Risk that prioritizing product functionality leads to the use of hazardous chemical substances, posing human health risks to consumers through product usage.	✓	✓	✓	✓	✓	✓	✓
		Protection of Personal Information	• Risk of privacy violations or discrimination arising from personal information leaks and the use of technologies such as AI and social media. • Risk of employing dark patterns on e-commerce sites to manipulate consumer behavior (e.g., making cancellations or returns intentionally difficult). • Risk of consumer misperception or reinforcement of stereotypes due to algorithms or information provision using AI on e-commerce sites (e.g., targeted advertising that pressures consumers with recommendations). • Risk of human rights violations, including personal information leaks, due to diversified marketing methods such as employees acting as influencers on social media. • Risk that the absence of corporate rules on AI usage exposes the organization to data security breaches, resulting in the leak of proprietary or personal information via generative AI attacks and unauthorized usage.	✓	✓	✓	✓	✓		
		Diversity Concerns	• Risk of insufficient consideration for diversified consumers (e.g., gender, nationality, religion, LGBTQ+). • Risk of reinforcing gender bias through mandatory clothing such as company uniforms or school uniforms without alternative options, potentially leading to human rights violations against transgender individuals.	✓	✓	✓	✓	✓	✓	✓