

April 22nd, 2013
Caux Round Table Japan

Human Rights Issues by Sector (draft) Consultation Summary Report

This report aims to provide a summary of the stakeholder responses to “Human Rights Issues by Sector (draft)”, and explains how Caux Round Table Japan (CRT-Japan) has taken into account those comments in subsequent amendment of the document. “Human Rights Issues by Sector (2013)” will be issued as the final by reflecting the discussion. Thank you to those who have sent comments during the public consultation period.

I. Summary of the Public Consultation

I-1. Summary

Title	Public Consultation on “Human Rights Issues by Sector (draft)”		
Period	10 th - 30 th January 2013		
Number of responses	4		
How CRT-Japan has taken into account the responses when amending	Amendment	Amendment to draft	1
	Reference	Taken comment into account for future reference	2
	Other	Noted opinion	1

I-2. Comments on the draft version of “Human Rights Issues by Sector”

5 comments on the draft version of “Human Rights Issues by Sector” were submitted in the free format. The categories of comments received are as follows.

On the content of the draft	① Need for further discussion	1
	② Request for amendment	1
	③ Other	1
On human rights due diligence workshop	④ Evaluation of the workshop and its activities	2

Summary of the comments:

- i. On the content of the draft: Need for further discussion

There is a grey zone that needs further discussion, especially in the financial and textile and apparel sectors.

ii. On the content of the draft: The request for amendment

The description of prison labour in the printing sector may lead readers to misunderstand that only this sector uses such labor. In Japan, the national government facilitates the placing of orders by companies with prisons. Therefore, it should be treated as an issue that could potentially be related to all the sectors.

iii. On the content of the draft: Other

Explanation of China's current human rights situation

iv. On human rights due diligence workshop: Evaluation of the workshop and its activities

- This is a good example illustrating how the UN Guiding Principles on Business and Human Rights are actually used.
- It is a good effort, which assures openness and transparency.

I-3. The way in which CRT-Japan has deal with the comments

The following sets out how CRT-Japan has taken into account those comments presented above.

i. On the content of the draft: Need for further discussion

The grey zone pointed out here will be discussed further in the next series of human rights due diligence workshops.

ii. On the content of the draft: The request for amendment

Since the description in the draft may lead readers to misunderstand that prison labor is only used in the printing sector, the description will be amended appropriately.

iii. On the content of the draft: Others

The human rights issues in China highlighted in the comments could relate to Japanese companies as many of them run businesses in that country. The comments will be used as a reference for discussions in the next series of human rights due diligence workshops.

iv. On human rights due diligence workshop: Evaluation of the workshop and its activities

The comment has been noted.

I-4. Summary

CRT-Japan has determined to amend the description in relation to the use of prison labour in the printing sector as the result of the public consultation. Other comments will be used as a reference in the next series of human rights due diligence workshops. For the details of the responses, please refer to diagram 1.

II. Future possibility of collaboration

The public consultation on the draft version of “Human Rights Issues by Sector” was undertaken in order to receive stakeholder opinions. During the one-month consultation period, some stakeholders offered suggestions in respect of long-term, rather than temporary, collaboration. Although not a direct comment on the content of the draft, these suggestions illustrate the recognition by global CSR initiatives of the Human Rights Due Diligence Workshop at the Nippon CSR Consortium. Please refer to diagram 2, which lists the suggestions for future collaboration received as well as responses thereto from CRT-Japan.

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Diagram 1. The way in which CRT-Japan has deal with the comments

Organisation name	Office venue	Person in charge	via	Summary of comments	How CRT-Japan has taken into the comments
UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises	Geneva	Dr. Puvan Selvanathan	E-mail	<ul style="list-style-type: none"> It is a good example that shows how UN Guiding Principles on Business and Human Rights are actually used. There are grey areas which would benefit from some greater resolution and discussion-particularly in the Finance sector, and more 'traditional' areas where Business and Human Rights aspects must be addressed, such as the 'Apparel & Textiles' sector. 	The grey zone pointed out here will be discussed further in the next series of human rights due diligence workshops.
Corporate Accountability Round Table	D.C.	Amol Mehra esq.	E-mail Skype	It is a good effort, which assures openness and transparency.	The comment has been received as an evaluation.
China Labour Watch	N.Y.	Mr. Leo Liu	E-mail	<p>This comment Introduced China's current situation as regards labour rights based on their rich experiences of investigation in China in various sectors, including electrics, retail, toys, apparel and textiles.</p> <ol style="list-style-type: none"> Working hours: This is one of the most serious violations seen in factories. Workers have to do excessive overtime. Workers in China do overtime because they are paid too little and in this sense, they are "forced" to work overtime. And even if they do a lot of overtime, they can barely make ends meet. Additionally, the production model of certain companies is based on workers' overtime. Discrimination: Discrimination does not only exist during work. Depending on the type of factory, management often restrict hiring to male or female workers, but they almost always restrict hiring to young workers, who are more likely to be able to handle intense workloads. Forced labour: In China, forced labour is not limited to situations in which workers are required to work overtime. When workers want to resign due to various reasons, including but not limited to work being too physically intense, their resignation may be denied or unreasonably delayed. They can walk off, but at the cost of losing their earned but unpaid salary. Bribery and corruption. Audit bribery is also a serious problem. Audits in supplier factories are supposed to serve as a check on the performance of the factories, which includes worker conditions. However, audit bribery is compromising such goals and fundamentally devaluing the audit process. In addition to those key issues identified in relation to the manufacturing sector, we find that the lack of communication channels between workers and factories also requires immediate attention. 	The human rights issues in China highlighted in the comments could relate to Japanese companies as many of them run businesses in that country. The comments will be used as a reference for discussion in the next series of human rights due diligence workshops.
Japan Federation of Printing Industries	Tokyo	-	E-mail Interview	The description of prison labour in the printing sector may lead readers to misunderstand that only the printing sector uses such labor. In Japan, the national government facilitates the placing of orders by companies with prisons. Therefore, it should be treated as an issue that could potentially be related to all the sectors.	Since the description in the draft may lead readers to misunderstand that prison labor is only used in the printing sector, the description will be amended appropriately.

Diagram 2. Future possibility of collaboration

Organisation name	Office venue	Person in charge	Suggestion	CRT-Japan's responses to the suggestions
UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises	Geneva	Dr. Margret Jungk	<ul style="list-style-type: none"> • Sending a researcher to CRT-Japan to support its activities concerning human rights due diligence. • Conducting workshop in conjunction with the members of the Nippon CSR Consortium in relation to the goals of the research. 	<ul style="list-style-type: none"> • Ms. Ashleigh Owens has already begun to work as a researcher at CRT-Japan (since the beginning of March 2013) • Since it is crucial to share expertise and challenges that companies have learnt through human rights due diligence process, CRTJapan will look for Japanese companies that could participate in the workshop.
UN University	Tokyo	Professor. Vesselin Popovski	<ul style="list-style-type: none"> • Exploring publication of a book together (including the activities at CRT-Japan concerning human rights due diligence and CSR Consortium). • Setting up an international conference on human rights due diligence at the United Nations University in Aoyama. 	<ul style="list-style-type: none"> • CRT Japan is positive about both publication and international conference.
UN Global Compact	N.Y.	Dr. Puvan Selvanathan	<ul style="list-style-type: none"> • Noted his interested in the activities of Nippon CSR Consortium and offering: • support for global communication. • to jointly organise, with CRT-Japan, a "Regional Conference & Workshop for East Asia" with the UN, where companies and NGOs from China, Korea, and Japan will gather and hold discussion. • some member companies of Nippon CSR Consortium will come and introduce their activities at the Human Rights and Business Forum held in December at Geneva. 	<ul style="list-style-type: none"> • CRT Japan is positive about both offers, regional conference and Human Rights and Business Forum.
CSR Europe	Brussels	Ms. Lia Talarico	What Nippon CSR Consortium has been doing is interesting. We will look at possibility of future collaboration.	CRT Japan is positive about the future collaboration.
Corporate Accountability Round Table	D.C.	Amol Mehra Esq.	<ul style="list-style-type: none"> • The process is very open and transparent. I would like to learn more about that. It would be nice if you could come and introduce the activities of the consortium at the international conference organised by our organisation. • Our organisation is seeking to work with Japan Federation of Bar Associations. We hope to maintain a good relationship. 	<ul style="list-style-type: none"> • CRTJapan is positive about future collaboration. • Hiroshi Ishida, Executive Director of the CRTJapan, has had a brief discussion about remediation with a person in charge at the Japan Federation of Bar Associations. Since remediation is sometimes beyond the control of a company, we will also look for corporation to have a positive impact on public policy.