

January 10th, 2013  
Nippon CSR Consortium

### **Report on the Human Rights Due Diligence Workshops (Phase 2)**

A series of four Human Rights Due Diligence Workshops were held between November and December 2012 at the Lambuth Hall in Tokyo as Phase 2 of the Nippon CSR Consortium's work. Through the series, the members of the Nippon CSR Consortium identified key human rights issues by sector.

- ◆ Time and Date: November 2nd, November 15<sup>th</sup>, December 5th, December 14<sup>th</sup> 2012.  
18:30-21:00
- ◆ Venue: Lambuth Hall, Kwansei Gakuin University, Tokyo Marunouchi Campus
- ◆ Participants: Please refer to the attached list (Appendix 1).
- ◆ Programmes and contents: Please refer to the following.

#### **I. The 1<sup>st</sup> workshop “Learning from experts and leading companies” held on November 2<sup>nd</sup> 2012.**

The Executive Director of CRT-Japan, Hiroshi Ishida, explained the purpose and the structure of the Phase 2 Workshops, mentioning how the human rights due diligence workshops have developed and what the members have done so far. He also stated that, though it seems not an easy task for someone to get a whole picture, taking a step forward and improving each other's activities through collaboration with others, such as the CSR initiatives and other companies, is crucial for Japanese companies.

Following the academics, experts, and NGO/NPOs, who introduced their important ideas and viewpoints on human rights due diligence, a CSR practitioner from a leading company (SONY Corporation) presented corporate and industrial initiatives for responsible procurement. Before ending the workshop, the participants were asked to fill out a worksheet to identify human rights issues by sector.

#### **I.1 Comments from academics, experts, and NGO/NPOs**

##### **I.1.1 Makoto Teranaka, Tokyo Keizai University**

Makoto Teranaka highlighted the fundamental difference between companies and NGO/NPOs in terms of their perspectives, and emphasized the importance of undertaking a dialogue, and asking “what can we achieve through collaboration?”. While pointing out the distortion within the Japanese conception of human rights, he defined human rights as “the last stronghold for those who are deprived of their rights and struggled in that situation” and said “it is quite unlikely that human rights issues will be eliminated from society”.

Moreover, he mentioned that human rights issues rise when there is no other possibility to solve the situation. This means that there are some signs of the existence of potential risks. Whether the potential risks become a human rights issue or not depends on whether a company can recognize the signs before it initially acts. He stressed the significance of establishing such a system to identify human rights issues as the first step, and stated that if the company successfully identifies the relevant issues properly, this would be the same as accomplishing 60% of the task.

#### **I.1.2 Toshihiko Fujii, Research Institute of Economy, Trade & Industry**

Toshihiko Fujii referred to three points concerning human rights due diligence. Firstly, human rights due diligence requires “intervention” against business partners, which Japanese are not likely to be good at. Secondly, when it comes to a dialogue with NGOs who have completely different stances from companies, it is important to develop the relationship based on written global standards. Thirdly, whether they can reach a compromise on individual issues with NGOs, and whether they can generalize the compromise will be future challenges for Japanese companies. Finally, showing a possible scenario where Japan comes to need human rights for protecting itself as its economic power and global competitiveness weakens, he expressed his concern about low awareness of human rights issues among top Japanese managements.

#### **I.1.3 Kaori Kuroda, CSO Network Japan**

Kaori Kuroda shared two impressions that she gained at the international conference on “Sustainable Supply Chain Management” held in the UK. Firstly, others, including European companies, were likely not to have a clear picture of human rights due diligence, and were likely to be seeking a way forward. In such a situation, she sees a growing worldwide interest in our Human Rights Due Diligence workshops. Secondly, the existence of influential NGOs and consumers is a distinctive characteristic of European society, which distinguishes it from Japanese society. Finally, she suggested that building up constructive relationships with NGOs and consumers through collaboration, rather than confronting them, may fit more comfortably to Japanese companies.

### **I.2 Sharing expertise of a leading company**

#### **I.2.1 Hidemi Tomita, Sony Corporation**

Hidemi Tomita introduced corporate activities concerning human rights due diligence at Sony. Sony has established the Sony Group Code of Conduct in which “Respect for Human Rights” is allocated into one section and defined as a higher concept. Based on the Code, it is promoting “responsible procurement”.

Specifically, at first, identification of problems as well as improvement of the situation within the supply chain are sought based on the Sony Supplier Code of Conduct, which defines the basic policy as to

reconsider a business relationship when a supplier does not exhibit an appropriate level of cooperation. In order not to make suppliers to be worn out because of extra burdens, Sony participates in the Electronic Industry Citizenship Coalition (EICC) and carries out supply chain audits by using the EICC framework standardized within the industry. Moreover, audits are preferentially conducted in high-risk areas and operations.

Sony takes the same approach to conflict minerals. Within the EICC platform, investigation into the downstream of the supply chain and audits of the conflict free smelters are conducted. Because of the complexity of the supply chain, it is difficult to discern which minerals are conflict free, but the policy is “Sony does not procure things that include conflict metals”, and, “if there is evidence that the smelter uses conflict metals, Sony does not purchase from it”. The corporation from suppliers is essential for Sony’s supply chain management, and therefore business relations cease when there is clear evidence of violation.

## **II. Contents of a model dialogue at the second workshop and case studies at the third workshop, held on November 15th and December 5th respectively**

Model dialogue in the second workshop described a real situation of foreign workers under forced labour in Japan, in terms of “long working hours”, “minimum wages”, and “isolation/ disassociation”. In the third workshop, Aonuma, the representative of ek sathe, introduced human rights issues in Bangladesh and Myanmar, including background information, the activities of some advanced companies, and the challenges to be solved. The presentation was concluded with a questions and answers session where the participants and the presenter had a lively dialogue.

## **III. Discussion towards identification of sector specific human rights issues at the second, third and fourth workshops, held on November 15<sup>th</sup> and December 5<sup>th</sup>, December 14<sup>th</sup> respectively.**

The Nippon CSR Consortium is working towards identification of sector-specific human rights issues, using the Human Rights Guidance Tool issued by the UNEP FI in 2011 as reference. The process and details of the discussion that took place between 2<sup>nd</sup> and 4<sup>th</sup> workshops are as follows. This summary reflects points made by different speakers during the discussion, but does not imply that all participants endorse all points. Many of the points reported in this summary are statements of opinion and should not necessarily be taken as fact. No remark will be attributed to a specific participant or the organization.

### **III.1 The process for identifying sector-specific human rights issues**

Worksheet A in which human rights issues possibly relevant to their sectors are listed (Appendix 2) is based on the “Identifying the human rights issues and expectations relevant to business (based on internationally recognised standards and voluntary initiatives)” in the Guidance Tool issued by the

UNEP FI in 2011. It was distributed to the participants.

- Each member examined which issues could have significance to their sectors, and at which point the issues exist in the value chain, and marked “●” for them. Moreover, they also discussed which issues are likely to have “no relevance” or “less relevance” and marked “▲” for them in Worksheet A.
- CRT Japan arranged these answers by sector. Then, Worksheet B was created by adding the outcomes of the Worksheet A to UNEP FI Human Rights Issues by Sector.
- Using Worksheet B, the participants discussed a) key sector specific human rights issues, b) potentially significant human rights issues that are not appeared on Worksheet B, and c) the value chain that would be relevant to the key human rights issues at the second and third workshop.
- Representative persons from ten sectors presented the outcomes of their discussion in their group. Academics, experts, and NGOs gave them feedback at the fourth workshop.
- The paper “Draft Version for Public Consultation: Invitation to Comment on Human Rights Issues by Sector” was written up by adding the comments from academics and experts to the outcomes of the discussion in the workshop. The draft has been translated into English, Chinese, and Spanish and issued for public comments. The public comments period is between January 10<sup>th</sup> and January 30<sup>th</sup> 2013.

### **III.2 The details of the discussion and the identified key human rights issues by sector**

#### **III.2.1 Manufacturing**

The members basically agreed with the contents written on Worksheet B. Some additional points were raised as follows.

- On discrimination: gender discrimination, the need for promoting the appointment of women.
- On child labour: possible risks of using child labour in supply chains that have expanded across Asia
- On freedom of association and collective bargaining: the need for reducing the gap between regular and non-regular workers, union members and non-union members.
- On conflict minerals: the need for adequate consideration of human rights violations related to conflict mineral.
- On consumers: positive commitments to the promotion of responsible marketing.

Key human rights issues in the manufacturing sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> <li>Working hours of foreign workers at manufacturing sites in Japan and Asian workers in the development unit may not be controlled well.</li> <li>Unpaid overtime work</li> </ul>
		Health and safety	<ul style="list-style-type: none"> <li>Severe incidents causing death or injury especially within research and development, as well as manufacturing sites.</li> <li>Long working hours may cause health problems, in particular, mental health problems.</li> <li>Health and safety issues in the supply chain (e.g. conflict mineral)</li> </ul>
	Discrimination	During work	<ul style="list-style-type: none"> <li>Gender inequality in training and promotion (discrimination against female workers).</li> </ul>
		Redundancy and dismissal	<ul style="list-style-type: none"> <li>Foreign workers may possibly be dismissed without due cause.</li> </ul>
	Child labour	Worst forms of child labour	<ul style="list-style-type: none"> <li>There may be possible risks in supply chains across the Asian continent.</li> </ul>
	Forced or compulsory labour	Forced overtime	<ul style="list-style-type: none"> <li>Foreign technical interns in Japan may be forced to do extra work.</li> </ul>
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> <li>Abuse and pollution of water and land at factories and sites.</li> </ul>
	Security	Non-state groups and security payments	<ul style="list-style-type: none"> <li>Possible diversion of funds to non-state groups during procurement. (e.g. conflict mineral)</li> </ul>
Society and government	Relations with governments	Relations to states with poor human rights records	<ul style="list-style-type: none"> <li>Possible diversion of funds to non-state groups during the procurement process. (e.g. conflict mineral)</li> </ul>
		Bribery and corruption	<ul style="list-style-type: none"> <li>Possible risks of bribery and corruption when entering into a contract, as well as of being involved in corrupt practices when receiving orders from government.</li> </ul>
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> <li>Making positive impacts on changing consumer behaviours (e.g. conducting</li> </ul>

			responsible marketing).
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**What the representative of the group reported:**

We basically agreed with Point I-1 (Workplace conditions), though there are likely to be diverse issues concerning this point. As for Point I-2 (Discrimination), although there is no check mark (●) for gender discrimination on the paper, we concluded that Japanese companies should take this point into account, since Japanese companies are less advanced, compared to Western companies, in terms of the appointment of women. The problem is that most companies have such systems, but it is not used properly or effectively. We are not quite sure whether this should be dealt with as a human rights issue or a management issue, but in either case, the gap should be bridged. Next, with regard to Point I-3-k, which is the worst forms of child labour, we changed the check mark from “▲” to “●”, because there seems to be considerable concerns in the supply chain in other Asian countries. No additional comment was given on Point I-4 (Forced or compulsory labour). With respect to Point I-5-q (Freedom to associate and to bargain collectively), the rights to freedom of association and to bargain collectively are ensured at headquarters in Japan, but, even so, there are likely to be considerable disparities between regular workers and irregular workers, as well as between union members and non-union members. We think that it is a weakness of Japanese companies, and therefore we checked a mark “●” for this. Then, on the rest, we basically agreed all, including Point II-1 (Resources) and II-2 (Security) in which conflict minerals are mentioned. However, as for the last point, consumer issues, we would like to check a mark “●”, because it is what Japanese companies, especially we manufacturing companies, have not yet actively committed. We could do more, particularly in research, development and sales, for meeting consumer needs and providing desirable service.

### III.2.2 Chemicals and Pharmaceuticals

The members basically agreed with the contents described on the Worksheet B, but some additional points were raised as written below.

- In the pharmaceutical sector: The rights of study participants may possibly not fully be considered when conducting clinical trials.
- In the chemical sector: local people's lives may possibly be threatened by accidents and hazardous materials produced at plants, and may be relocated from their residences.

Key human rights issues in chemical sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	• Risks of skin injuries and cancers posed by the use of chemical materials.
Community	Resources	Use of natural resources	• Progressive increase in discharge and leak of hazardous materials, water and air pollution at manufacturing sites as well as during transportation.
	Access to land	Voluntary relocation-consultation and compensation	• Inadequate compensation on relocation may create tensions with local communities when developing sites, which may endanger the safety of both corporate and community members.

Key human rights issues in pharmaceutical sector			Concrete issues
Core operation/ Supply chain	Work conditions and others	Health and safety	<ul style="list-style-type: none"> <li>• The use of chemical compound or/and pharmaceutical products is likely to endanger the health and safety of employees.</li> <li>• During the clinical development stage of pharmaceutical production, the health and safety of study participants may not be managed properly at contact research organizations.</li> </ul>
Community	Resources	Use of natural resources	• Sourcing natural compounds that are essential for drug development may possibly heighten tensions between companies and local communities. Especially (e.g. Bio-Piracy; deprive benefit of community through a patent monopoly for compound made from medicinal plants which historically diffuse within a local community)
	Community investment	—	• Having positive impacts on public health such as rising awareness on diseases and ensuring access to medicine.
Society and	Relations with	Relations with poor	• Support for public health in state/ local community may be misused for their political



government	governments	human rights record	purposes such as propaganda
Consumer	Relations with patients	Health and safety	<ul style="list-style-type: none"> <li>• Taking positive actions towards the fight against counterfeit medicines</li> <li>• Report delay on adverse drug reactions and delay in recall may endanger health and safety of patients</li> </ul>

#### What the representative of the group reported:

We basically agreed with the human rights issues written on this sheet. We discussed whether there are other issues, and in what sense these issues should be understood.

In the pharmaceutical sector, the rights of study participants are seriously taken into consideration and protected when conducting a clinical trial. In various actions for protecting the rights of study participants, monitoring and assessing of how the contractor operates in the clinical trial will be a key point. Pharmaceutical Affairs Act in Japan, and global rules and industry initiatives are developing and the process and framework to identify risks are being built up.

With respect to chemical industry, we discussed about the interpretation of Point II-3 (Access to land), because there was an anonymous comment about this. It is the comment on Point II-3-g, “Voluntary relocation-consultation and compensation”, saying that “In the development of new production sites or company premises, companies may deprive local people of their means of livelihood, resources, and property. If compensation including the amount and distribution is insufficient, tensions between the company and local communities may be heightened (in the chemical sector)”. Though we could not get the exact meaning of this comment due to the absence of the person who wrote it, the possible interpretation was put that the chemical sector could threaten people’s lives by causing accidents and producing hazardous materials that could involve associated relocation, consultation, and compensation. Nuclear plants were taken as an example that may violate the rights of local people in this context.

#### III.2.3 Information, Communication and Technology

The participants highlighted those issues listed below, while illustrating the characteristics of ICT sector as a relatively-new industry, the invisibility of its products and services, and the labour-intensive nature of its work.

- Long working hours and related health problems. The cause of the problems is not likely to be simple but instead is complicated, since it is often observed that employees voluntarily work long hours from a sense of responsibility to customers and deadlines.



- Because of the characteristics of the ICT sector, namely it being a relatively-new industry, large amounts of collaborative work with partners, and increasing offshore services and development, ensuring freedom of association and the rights to collective bargaining in the supply chain, especially among overseas suppliers, may need particular consideration.
- Possible risks of being involved in bribery and corruption through offshore activities.
- Possible risks of violation of the privacy rights and the rights to freedom of speech and expression, especially in the communication sector.

Key human rights issues in ICT sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	• Long working hours (including attendance at weekends) and unpaid work in the process of system development, during the busiest period (e.g. pre-release time) and in the case there are numbers of design changes.
		Health and safety	• Health problems, especially mental health problems, may be raised because of the long working hours described above.
	Discrimination	During work	• Gender inequality in training and promotion (discrimination against female workers).
	Freedom of association and collective bargaining	Conflict with local law	• Freedom of association and the rights to collective bargaining may not be fully ensured in the supply chain.
	Protection and storage of personal data	—	• There may be risks of leaking personal data both at the company and subcontractors.
Community	Resources	Use of infrastructure	• Having a positive impact on local communities such as improving local infrastructures through the establishment of ICT network system.
	Community investment	—	• Making a positive impact on local communities through provision of information and ICT service, such as enhancement of local people's lives by improving the digital divide.
Society and government	Relations with governments	Bribery and corruption	• There may be risks of being involved in bribery and corruption, notably in offshore market research, and sales and marketing (especially in ICT service provision for governmental agencies.)
Consumer	Relations with customers	—	• Privacy rights and the rights to freedom of speech and expression may possibly be violated. (Especially related to the communication sector)

#### What the representative of the group reported:

Though we could not discuss all the topics, we began our discussion by talking about the characteristics

of the ICT sector. Firstly, the ICT sector is a relatively-new industry. Secondly, its product and services are likely to be invisible because of the characteristics as network systems. This invisibility makes its relationships with other actors in business activities difficult to identify. On the other hand, it also has a labour-intensive nature. These are likely to be characteristics of the ICT sector in general.

On the preconditions, long working hours and related health problems were recognized as the biggest issues. However, when it comes to the background of this, it is not likely that they feel “forced” to work, rather they voluntarily work for long hours, sometimes just before getting sick, from a sense of responsibility to customers and deadlines. Thus, the problem may not be so simple but is more complicated.

In addition, the fact that ICT sector is relatively new is related to issues concerning unions. Unlike those sectors that have well-established union systems, we need to consider this point from now. In addition, our work often involves collaboratively working with external parties and partners, and therefore, we need to take into consideration the fact that our work is not limited within the company.

Generally speaking, these issues tend to be picked up from the perspective of system engineering. In the discussion, some members from financial sectors raised a question about how ICT sector members judged the significance of the issues, saying it may be almost impossible to identify concrete issues as “sector-specific” human rights issues in the ICT sector, because the tasks considerably vary between project management, infrastructure-related work, and sales and marketing. To this question, ICT sector members replied that it is difficult, but they basically adopt the perspective of system engineering. As for community issues, there was no further mention on the use of electricity at the data center. On the other hand, the members from ICT sectors mentioned that there may be bribery and corruption in relation with government, and possible risks of the offshore activities that cannot be checked or have not been checked yet.

In addition, governments may impose regulations and restrictions concerning network systems, and ICT companies may be forced to accept those governmental controls, such as censorship in Egypt and China. Moreover, there may also be risks of being involved in bribery and under-the-table deals attendant in the relationships with certain governments. How to deal with these problems was regarded as a big problem.

### III.2.4 Logistics

The issues identified as key issues are as follows.

- Long working hours, health and safety issues at the site and in the supply chain. Especially at the site, employees could be forced to work long hours because of unexpected and uncontrollable

situations. There are also some risks of workplace accidents caused by the use of heavy machinery and handling of heavy goods at the site such as a freightliner terminal. Moreover, long working hours may cause mental health problems.

- Discrimination by gender and academic qualification in Japanese companies.
- Potential risks of economic loss caused by the existence of huge industrial unions enjoying considerable influence.
- Environmental risks in the upstream of the supply chain concerning fuel procurement
- Provision of armed security by states against pirates and related human rights risks (Shipping).
- Potential risk of being involved in bribery and corruption in order to avoid paying expensive anchor costs. e.g. facilitation payment

Key human rights issues in logistics sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	• Long working hours may happen, especially at the sites and subcontractors.
		Health and safety	<ul style="list-style-type: none"> <li>• Workplace accidents could possibly occur at sites including a ship under operation and a freightliner terminal, where heavy machinery is used and heavy goods are handled (Shipping).</li> <li>• Risks to employee safety in the areas where pirates operate (shipping).</li> <li>• Long working hours may cause mental health problem</li> </ul>
	Discrimination	During work	• Possible discrimination in training and promotion by gender and educational backgrounds.
		Redundancy and dismissal	• The requests of part-time and irregular workers for open-ended employment contracts may not be fully considered.
Community	Resources	Use of natural resources	• Environment, air, and water pollutions, as well as the destruction of habitat diversity, may happen in the supply chain of fuel procurement.
	Security	State provision of security	<ul style="list-style-type: none"> <li>• Possible risks of excessive power exercise by national navies deployed against pirates.</li> <li>• Armed security personnel on board a ship may exercise excessive power toward sailors and pirates.</li> </ul>
Society and government	Relations with governments	Bribery and corruption	• Possible risks of being involved in bribery and corruption such as facilitation payment.

**What the representative of the group reported:**

As for core operation and the supply chain, written on the 1st page, Topic I-1-a (Working hours) and I-1-c (Health and safety) could be big problems for logistics companies. At the site, workers often face unexpected and uncontrollable events, but they have to deliver goods on time. In such a case, their working hours inevitably become longer. There are also some cases where the order is given out to subcontractors because there may be possible risks. As regards I-1-c (Health and safety), both ships and trailers haul very heavy goods, and therefore, the health and safety of the workers at such sites is regarded a big problem. Mental health problems of office workers also came up recently.

As for Point I-2 (discrimination), we discussed and concluded that discrimination by gender and academic qualification may be an issue among Japanese companies. With regard to Point I-2-g (Redundancy and dismissal), although we did not have a concrete example, we supposed that it could be concerned with the contracts of irregular workers, such as little consideration on employment duration at expiration of the initial period.

As for Point I-5-r (Freedom of association and collective bargaining- conflict with local law), there is not such a case in Japan, but some overseas countries have huge industrial unions enjoying considerable influence. Companies are likely to have some concerns about being affected by such unions.

As for II-1-a (Use of natural resources), though the logistics sector inevitably needs fuel, we purchase this from oil giants and large trading companies, which are exposed to international concerns and try to pay attention to the human rights impact of business activities. However, there may be various unresolved issues, especially in the upstream of the fuel supply chain.

Then, perhaps of particular concern for shipping, pirates are a big issue concerning Point II-2-c (State provision of security). The coasts of fragile countries, such as Somalia, are very dangerous. This could raise significant human rights issues.

As for Point III-e (Bribery and corruption), because efficient management of logistics network covering all over the world is the first priority of logistics companies, there may be possible operations at the site in order to avoid obstacles.

Finally, as regards to Point III-a (Operation in countries in conflict), III-b (Entry pre and post conflict), and III-c (Relations to states with poor human rights records), the news does not come through until Tokyo, we suppose there may be some problems when operating in such regions. Moreover, in association with economic sanctions on Iran and Syria, we are often asked about our business in these countries from financial institutions. This may also show the relation between our business and human rights.

### III.2.5 Apparel and Textiles

A representative person explained that key human rights issues in the apparel and textile sector could be divided into three themes, which were workplace conditions including wages, working hours, and accident prevention, child labour, and forced labour. Moreover, changing consumer's minds and promoting ethical marketing are presented as future challenges for the sector.

Key human rights issues in apparel and textiles sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	• Long hours working may be caused by setting production schedules that presuppose overtime work, and undertaking actions to meet deadlines in sewing process.
		Wages	• Pressure from buyers on cost reduction may result in ignorance of minimum wage legislation.
		Health and safety	• Education on safety and health, including emergency drill, may not be conducted or may not be conducted properly.
	Child labour	Minimum age	• Children under the minimum age may work without confirming identification papers or based on forged papers.
	Forced or compulsory labour	Forced overtime	• Immigrant workers in China and foreign trainees in Japan may be forced to do overtime work.
Community	Resources	Use of natural resources	• Discharging of hazardous material from leather tanneries and dye houses may pollute rivers, and may damage local people's health.
Consumer	Relations with customers	Health and safety	• Making positive impact towards changing consumer's mind, and creating ethical marketing (e.g. promoting fair trades)

#### What the representative of the group reported:

Through the discussion, key human rights issues in the apparel and textile sector were divided into three themes, which were workplace conditions including wages, work hour, and accident prevention, previously explained by Ms. Aonuma, and child labour, and forced labour. I suppose that these three themes are recognized as human rights issues despite differences in industry segments. When it comes to the reason why such issues arise, the cause varies widely. For example, sewing is the last bastion for meeting deadlines, and therefore, sewing workers are likely to be pressured to finish up in short period. If they cannot achieve a short-time delivery, this means that they cannot meet the deadline, and they cannot manage their business. On the other hand, some subcontractors accept orders beyond their capacity. The situation seems to be difficult to solve, because it is not likely to be right to make them

just give up the orders. I learned that each member in this group is trying to address these issues at sites.

There is an additional point that someone added to the sheet. It is consumer issues. The members attending today also pointed out the importance of creating ethical marketing. This means that fundamental change could not be achieved without changing consumer's minds. It can be said that creation of ethical marketing is a challenge concerning all the industries, but especially for the apparel and textile sector, it could be a big theme that we need to take into account in the future.

### III.2.6 Food and Retail

Indications provided are as follows.

- Production is often concentrated, such as seasonal products, in our sectors. Forced overtime work may be observed in the busiest periods.
- Freedom of association and the rights to collective bargaining may not be fully ensured in the countries where unions are not allowed.
- Consumer and employee related human rights issues may be likely to be prioritized in the retail sector, while the food sector may need to consider human rights issues concerning raw materials (e.g. agricultural products or fishery products) additionally.

The group members also shared their concerns about how to deal with the situation where deterioration of public security occurs in an entire state, and also where the company has relatively limited influence on suppliers.

Key human rights issues in food and retail sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	• Long hour working may be a burden at the manufacturing factories (supplier) where private brand products are made and within logistics networks that distribute the goods.
		Health and safety	• Fatal and non-fatal incidents and injuries in production process including handling sourcing material, and in handling chemical substances in supply chain
	Discrimination	During work	• Foreign workers may not be ensured access to safety education because of language barriers.
	Child labour	—	• Child labour of children under the minimum age and forced labour may possibly occur at suppliers of raw materials, for example agricultural and fishery products
	Forced or compulsory labour	—	• Production is often concentrated, such as seasonal products, in our sectors. Forced overtime work may be observed in the busiest periods.

	Freedom of association and collective bargaining	Conflict with local law	<ul style="list-style-type: none"> <li>Freedom of association and the rights of collective bargaining may not be fully ensured based on international laws in the country where unions are not allowed.</li> </ul>
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> <li>Agricultural production and fish hauls in the communities which run small operations may be decreased because of large-scale commercial agriculture and fishing, and the local ecological system may be affected negatively.</li> <li>Culturally/ historically/ religiously important sites for local communities or indigenous people may be damaged.</li> </ul>
	Security	State provision of security	<ul style="list-style-type: none"> <li>Lack of a balance of securities provided by state, sometimes securities may exercise excessive power, or may not ensure enough and adequate security.</li> </ul>
	Access to land	Title to land	<ul style="list-style-type: none"> <li>Especially when constructing large stores, titles to the land of local people or indigenous groups may be ignored.</li> </ul>
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> <li>Bribery and corruption may be required when a company expands its business and develops a new store and plants need to gain approval and licenses for marketing and manufacturing.</li> </ul>
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> <li>Promoting responsible marketing, especially giving consideration to consumer health in alcohol and tobacco sales, and on consumer safety in use of electricity devises and toys.</li> <li>Low quality addictive substances and inadequate labeling may cause consumers' health risks.</li> </ul>

**What the representative of the group reported:**

Concrete examples were raised for the issues checked with a mark “●” in advance.

The topic without a check mark but for which we doubt the possibility of human rights violation is forced overwork in the category of forced labour. In our sectors, there is some peak time when production concentrates, for example, the making of seasonal products. At such times, we necessarily urge suppliers to deal with the demand, otherwise business cannot carry on. We discussed that this situation could possibly produce forced labour.

In addition, as regards Point I-5 (Freedom of association and collective bargaining), there may also be risks if a company does business in a country where unions are not allowed.



There are two additional points that we considered possible risks. As for the use of resources categorized as issues concerning communities, we think that the resale of out-of-date meals and reuse of such meals by bringing out from a disposal field carried out beyond company's control, could be risks that may harm consumer health. However, how much responsibility we have on our private brands seems a matter of contention.

In addition to that, safety could also be a problem. There may be risks of a sudden deterioration of public security across entire states, which the company needs to deal with.

Compared to the Western companies, it seems to be difficult for Japanese companies, which purchase goods on a smaller scale or through trading companies, and whose amount of deals is much smaller than the gigantic companies, to carry out exactly the same activities. Thus, how to keep to voluntary agreements or global standards will be a future challenge in our sector.

### III.2.7 Paper and Printing

The issues identified as key human rights issues in the paper and pulps sectors respectively are as follows.

#### **Paper:**

- As the paper sector has a strong impact on both the upstream and downstream of the value chain, it is likely to confront various human rights issues.

#### **Printing:**

- Foreign workers may not be ensured access to safety education because of language barriers and may work long hours.
- There could possibly be long working hours and child labour in the supply chain such as in Asian factories where products for give-away campaigns are made.
- Cancer risks caused by using chemical materials and health risks caused by noise.
- Huge amounts of personal data are stored by printing companies. Despite strict controls, there may be possible risks of the leakage of personal data.
- Prison labourers may be used in the supply chain without receiving adequate payments.

Key human rights issues in paper sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	• There may be possible risks of accident when logging and operating heavy machineries
	Discrimination	During work	• Workers may be subject to lack of equal opportunity for education, training and promotion due to gender discrimination or/and nationality discrimination
Community	Resources	Use of natural resources	• In term of forest resources, the rights of indigenous people and local communities may not be fully considered. Especially in the case where a company purchases woodchips rather than sawing from company-owned forests, there may be possible risks of the company being involved in human rights violations related to logging.
	Access to land	Title to land	• Lack of formal tenure arrangements, or tenure based on historical use rather than documentation can lead to traditional rights being overlooked.

Key human rights issues in printing sector			Concrete issues
Core operation/ Supply chain	Work conditions	Working hours	• Working long hours in sales and marketing, in the factory, at suppliers and subcontractors.
		Health and safety	• Potential cancer risks caused by using chemical materials in enclosed spaces with less ventilation and in printing factories.
	Discrimination	During work	• Foreign workers may be subject to lack of health and safety education due to language barriers.
	Child labour	—	• There could possibly be child labour within the supply chain (at subcontractors, and Asian factories where products for give-away campaigns are made)
	Forced or compulsory labour	Prison labour	• Prison labourers may be used for manufacturing of calendars, exam papers, and aluminum batches and they may not be paid adequately.
Consumers	Relations with customers	Protection and storage of personal data	• There may possibly be a leak of personal data that the printing company acquires to produce products such as credit cards.

**What the representative of the group reported:**

I will talk about the paper and printing sectors separately because related human rights issues are likely to be different.

Though the academic member joining in our discussion suggested that all the issues could apply to the paper industry, in our discussion, some specific issues including natural resources, indigenous people, and working conditions were raised. I suppose that not only printing companies but also every other kinds of company uses papers, yet none of us have verified whether the paper company distributing paper to us ensures human rights.

When it comes to sourcing, there are mainly two routes: sourcing from company-owned forests and purchasing woodchips. The former may be traceable and controllable, but the latter is difficult to trace back and this problem may lead to human rights abuse being undetected. This characteristic of the industry drives the institutionalization and promotion of Forest Stewardship Council (FSC) certification.

With the respect to the paper industry, working long hours is obviously a problem. Even the company which receives the order must work overtime, so subcontractors and sub-subcontractors may naturally be forced to work long hours too. Moreover, when tracing back to sub-sub-contractors, there may be more issues concerning foreign workers. For example, they are subject to a lack of safety education and instructions due to discrimination related to the language barrier.

In addition, there was also an indication regarding the supply chain. At the printing companies, we receive orders for campaign gifts/ goods/ sales promotion items, and these goods are often outsourced and made in other Asian countries where the manufacturing involves a long chain of suppliers at low cost. Because of the complexity and length of this supply chain, we have not been able to assess information on what human rights issues above involved.

There are two more issues. The first one is health and safety. As bile duct cancer risks in the printing industry were in the news recently, use of large amounts of chemical materials in printmaking and printing factories could cause such health problems. Noise could also be an issue. In addition to working long hours, the printing sector is likely to have risks concerning health and safety.

In addition, you may not know, but printing companies have great quantities of personal information. Probably, ten million pieces of data are stored at the major printing companies in Japan. To prevent the leakage of this personal information, we are paying special attention to the data storage.

A participant indicated that the printing industries provide the largest amount of work to prisoners while they are in prison.

### III.2.8 Finance

Indications provided are as follows.

- Though working hours and workplace conditions are obviously important issues, they are distinguished from other human rights issues as internal issues.
- The most significant issue in the financial sector is the consideration of human rights issues with regard to investment and loan decisions. Consideration for ESG (Environment, Society, and Governance) aspects in screening and monitoring is especially needed, but there is no clear standard for how far and on which issues a financial institution should carry out screening and monitoring.

Key human rights issues in the financial sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	• Working long hours as customer's needs and operations diversify, and increase in non-routine work
		Health and safety	• Long working hours may cause illness including mental health problems
	Discrimination	During work	• Possible gender discrimination in training and promotion
Community	Access to land	Title to land	<ul style="list-style-type: none"> <li>• Lack of regulations for protecting land ownership, such as hypothec in regards to financial transactions, may lead to infringement of human rights.</li> <li>• There may be risks regarding lender's responsibilities concerning credit mortgages.</li> </ul>
	Community investment	—	<ul style="list-style-type: none"> <li>• Having positive impacts on job creation and access to education through microfinance.</li> <li>• Having positive impacts by dealing financial products designed to support infrastructure improvement in developing countries.</li> </ul>
Customer	Relations to investments, loans, and individual investors	—	• Human rights are not fully considered when conducting screening and audits in regard to funds and investment. Compliance with the Equator Principles

#### What the representative of the group reported:

I would like to introduce the major point of our discussion. Firstly, as regards to money laundering, though the issue has a significant importance for both human rights and our business, it is regulated as a compliance matter that we cannot ignore in our operations, and therefore, we think that money laundering is not treated in the same way as other issues.

With respect to working hours and workplace environment, they should of course be taken into account, but could be treated separately as internal issues like diversity and discrimination.

The biggest question for us is how to judge investments and loans. Financial sectors have impacts on society indirectly. This characteristic seems to make it more difficult to deal with human rights issues because our impact is indirect, but, at the same time, there may be more things we could do. This point raised a fierce discussion.

As regards screening on investment and loans, financial and compliance screenings are obviously conducted. Some other issues, such as role of working conditions and the environment, came to be considered at each company. However, despite the existence of these practices, they are not conducted according to a clear ESG standard. The present status is that investigation is conducted but standards are not established.

Unlike screening, monitoring involves continuous improvement, which is a grey zone in the financial sector. The background to this is that obviously audit comprises issues concerning the environment, workplace, and human rights, but there is a difficult question on how far financial institutions should conduct audits. On the other hand, *the Equator Principles*, *UNEP FI*, *PRI*, and *Principles for Financial Action for the 21st* are voluntary rules in the financial sector that seek for standardization of the scope and contents of ESG issues including human rights issues. However, this has not been clearly established nor mainstreamed yet, so each financial institution tries to differentiate themselves by showing what and how they conduct audits, and this is a challenge for the future in the financial sector.

Experts: I have been interested CSR within the financial sector and I have learned about that today. I think that the difficulties of CSR in the financial sector come from its characteristics of having products that do not have a specific “goods character”. In other words, it is difficult to associate their products with issues. If it is the case of the textile sector, it could associate their products with the dyeing process and attendant chemical materials, yet, money could not evoke any images. Paradoxically, this generality requires the financial sector to have sensitivity toward what society is interested in. The Equator Principles could be the very example of what society is interested in. This means that the financial sector is quite likely to get stuck in their CSR activities, confusing what they should do, if they do not fundamentally understand what globally recognized right actions are beyond such established rules. It is not financial institutions themselves but their counterparts who decide what they should do. I think this makes it difficult to carry out CSR in the financial sector.

**IV The forth workshop “Learning from experts and presentation of outcomes of discussion”  
held on 14th December, 2012.**

Osamu Shiraishi from the Asia-Pacific Human Rights Information Center introduced global trends concerning human rights and business, and some case studies. Then, some members of the Nippon CSR consortium presented the sector-specific human rights issues identified through discussion at the second and third workshops. Finally, the academics and representatives of NGO/NPOs gave feedback on the entire Phase 2 workshop.

**IV.1 On corporate activities concerning “business and human rights” in the world**

**IV.1.1 Osamu Shiraishi, Asia-Pacific Human Rights Information Center**

Osamu Shiraishi explained the background of global standardization of corporate social responsibility. He also introduced Professor John Ruggie “Protect, Respect and Remedy” framework and the Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework (A/HRC/17/31, 21 March 2011). He presented the following four points as key elements for a company taking responsibility based on the Ruggie framework; 1. Learn about and understand what human rights are based on global standards concerning human rights. 2. Establish corporate policies to respect human rights. 3. Clarify the way in which the company respects human rights, namely (a) identify and assess any actual or potentially adverse human rights impacts such as human rights violation, through corporate activities or as a result of their business relationships, (b) integrate and act upon the findings, (c) track responses, and (d) communicate how impacts are addressed with the affected stakeholders. 4. Provide for or cooperate in remediation. He explained that operational-level grievance mechanisms for the potentially impacted by the business activities can be one effective means of enabling remediation when they meet certain core criteria, such as being legitimate, accessible, predictable, equitable, transparent, and rights-compatible, and being a source of continuous learning and based on engagement and dialogue.

The Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework applies to all types of companies. He stated that companies are required to shift their perspective from business to vulnerable people who could possibly be excluded, and pay special attention to them, while mentioning the difficulty of this “shift of perspective”. He also introduced the possibilities of Guiding Principles for companies; companies could (a) examine whether corporate policies meet global standards, (b) assess human rights risks in the business process, and (c) evaluate consistency between national laws and global standards.

Finally, he talked about the follow-up activities of the Guiding Principles, and he illustrated the current status among the Western companies. Although many of them agreed with the principles and establish corporate policies, the actual integration of the Guiding Principles into business processes and activities, and human rights due diligence, remain as a future challenge. The meeting was closed following a

question and answer session, where a lively discussion on the LDP's draft amendment to the constitution, the objective examination of human rights due diligence, and a remedy mechanism of the Guiding Principles took place.

#### **IV.2 The outcome of discussion for identification on key human rights issues by sector**

Please refer to the section III.2 on this paper.

#### **IV.3 Comments from academics, experts, and NGO/NPOs**

##### **IV.3.1 Makoto Teranaka, Tokyo Keizai University**

Mentioning the amendment of constitution submitted by the LDP, Makoto Teranaka explained the importance of supreme law. He referred to article 97 of the Japanese Constitution, which states “The fundamental human rights by this Constitution guaranteed to the people of Japan are fruits of the age-old struggle of man to be free; they have survived the many exacting tests for durability and are conferred upon this and future generations in trust, to be held for all time inviolate”, and mentioned possible problems caused by its absence. Based on this premise, he indicated that the human rights which should be considered concerning “prison work” and “privately armed guards on ships deterring pirates” are “the rights of prisoners who are not ensured to receive full benefits of their work by being allocated unpaid work” and “the rights of pirates who are under absolute poverty and do not have other possibilities to gain living sources”. He emphasized that when considering human rights issues, questions should be concrete. Specifically, he stated his belief that concrete questions should be on whose human rights are violated, and what remedies are needed. Finally, he required companies to understand the complexity of human rights issues that involve different levels of problems concerning states, companies, and societies, and to examine from which standpoints they address the issues.

##### **IV.3.2 Kaori Kuroda, CSO Network Japan**

Kaori Kuroda appreciated the outcome of the workshops as the importance of human rights issues in core business and in supply chains were recognised in different sectors, and that the inextricable link between the use of natural resources and human rights issues were recognised. She highlighted the importance of creating ethical markets that would encourage more sustainable production and consumption, and showed her expectation of companies' role. In order to realise ethical markets, she stated that it is crucial that each producer understands the negative impacts of corporate activity on human rights (and whose human rights are violated), raising awareness of human rights and social/environmental problems at the individual level, and link the awareness with their own consumption behaviours. In addition, she introduced the global trends putting human rights at the centre of every domain, mentioning the Equator Principles that will be revised for integrating the Ruggie Framework as an example.

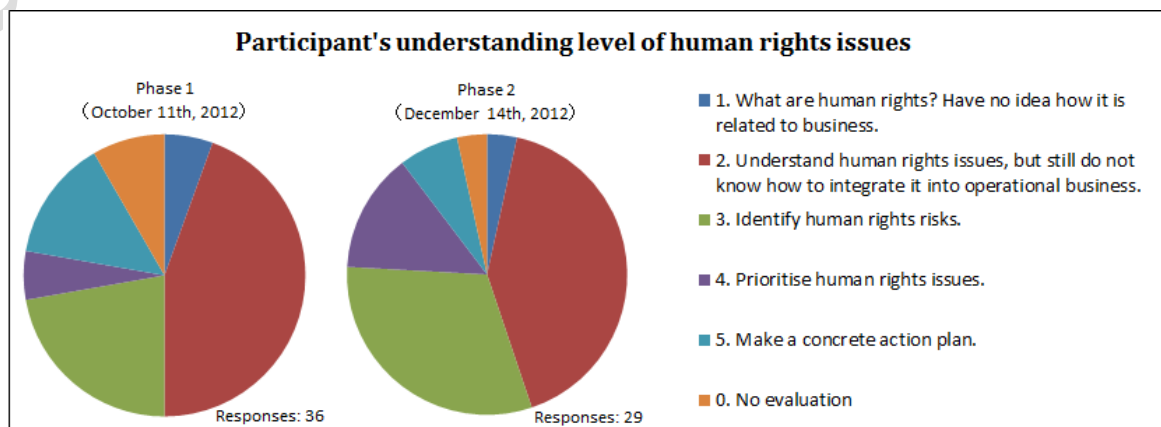


#### IV.4 Participant's understanding level of human rights (self-evaluation)

Each participant self-evaluated their understanding level of human rights issues and wrote down a comment on a paper formed like a leaf. Gathering these leaves, a human rights tree was created.

##### IV.4.1 Overall

At the final session of the series, participants' understanding level of human rights was evaluated in the same way it had been at the Phase 1 workshop. Compared to the results of the Phase 1 workshop, the average scores of participant's understandings on human rights issues slightly decreased by 0.07. The scores at the Phase 2 and Phase 1 were 2.76 (36 responses) and 2.69 (29 responses) respectively. As the diagram shows, while scores 1, 2, and 5 lessened slightly, scores 3 (Identify human rights issues) and 4 (Prioritise) considerably increased. This suggests that participant's understanding of human rights issues (2) has enhanced, and their interest moved to "Identify (3)" and "Prioritise (4)" issues. The participant's comments also demonstrated their interest in how to apply what they "understood (2)" and "identified (3)" in the workshop to business operations as well as how to prioritise issues.



\*Lower score was adapted in case of multiple answers.

##### IV.4.2 Participant's comments

###### Some comments on understandings of human rights

- Existing processes need to be critically examined (2).
- Human rights issues exist in core business operations. I will revise our activities from this point of view (2).
- My understanding of human rights issues goes back and forth (2).
- My understanding is narrow. I need to enhance it (2).
- I probably came to be able to identify human rights risks (2)
- I really felt how narrow my understanding was (3).
- I deepened my understanding of complicity (2).
- I realized the need to identify human rights risks not only at individual companies, but also at a sector level as a whole (3).

- Through discussion by sector, we could identify risks within our sector as well as in other sectors. I think we could prioritise the issues to some extent (4).
- Regrettably, the score is 1 when evaluating the level at the entire company. The process from 2 to 5 may be repeated in the PDCA cycle (1).

**Some comments on future challenges.**

- I cannot build up a detailed picture of human rights due diligence (No self-evaluation)
- I reaffirmed the significance of making top management understand human rights (2).
- Value chains are not managed entirely (3).
- Needs to raise awareness on human rights issues at individual companies (2).
- Effective collaboration in which companies can actually work together (5).

**Some comments on association between human rights issues and business operations.**

- I understood risks concerning human rights, but I am not quite sure how they could be integrated into business operations (2).
- How to integrate it into business operations (3).
- I could identify risks concerning human rights and its prioritization. The future challenge will be its integration into business operations (3).
- It is difficult to integrate human rights issues into the business process. Please raise it as the next topic! (2)
- I broadly identify risks, but I still have a question on how to integrate them into the business process (2).

**Some comments on the prioritization of issues.**

- I identified possible risks, so I would like to move into prioritization as the next step (3).
- We need to step forward prioritising issues (4).
- Prioritisation should be done with stakeholders (4).

**Some comments on identification of human rights issues in the supply chain.**

- Identification of human rights issues in the supply chain (3).
- Working on supply chain (5)

**V Closing Comments from Hiroshi Ishida, Caux Round Table Japan**

I would like to express my thanks to all the participants contributing to successful accomplishment of the Phase 2 workshop. Identification and prioritization of human rights issues by 10 sectors through dialogue between members from companies, NGOs and experts, which we have done through the workshop, are not only an unique attempt but also could be a great advance towards integration of

human rights due diligence among Japanese companies.

What is the most striking for me was that members from companies, NGOs, and experts gained new insights from each other by exchanging their own points of view with integrity. The members from companies learned what actually happen at the site from NGOs and experts, while NGOs and experts also learned the potential risks that concern those members in their business, and how business operations are carried out in practice. This is exactly what the human rights due diligence workshop aims for - in other words, building up common understandings the points in which gaps exist through vital discussion and mutual learning based on the basic philosophy that “we emphasize putting one’s own house in order, and on seeking to establish what is right rather than who is right”.

I hope to carry the momentum to the next step in order to address human rights issues in business not as a pie in the sky notion but as actual practice. The next step will involve more concrete activities at individual companies.



Picture of the participants at the forth workshop

Hiroshi Ishida  
Executive Director, Caux Round Table Japan

## Appendix 1

### List of Participants in Human Rights Due Diligence Workshops (Phase 2)

(in alphabetical order)

#### Participants from Companies

Ayami Kosugi	Legal Coordinator, General Affairs & Human Resources Department, TaylorMade Golf Co., Ltd.
David Kwok	Manager, Corporate Responsibility Asia, Burberry Asia Limited
George Yoshimoto	Manager, CSR, Sustainability Team, CSR Sustainability Department, Global Legal & Compliance Division, ASICS Corporation
Hidemi Tomita	General Manager, Corporate Social Responsibility Department, Sony corporation
Hirohisa Minakawa	Assistant Group General Manager, Environment & Social Contributions Division, Nippon Express Co., Ltd.
Kazuaki Shibao	Senior Manager, Human Resources Development Division, NEC Corporation
Kazuki Ohara	Nomura Research Institute, Ltd.
Keiichi Ushijima	Manager, CSR Promotion Division, Hitachi, Ltd.
Kenichi Nakamura	General Manager, CSR Dept., Sumitomo Mitsui Banking Corporation
Kenji Osawa	NTT Data Corporation
Kiichiro Yokoyama	Manager, Corporate Communications Department, Nomura Research Institute, Ltd.
Madoka Ohshima	Manager, Corporate Citizenship International Labor Standards, The Walt Disney Company (Japan) Ltd.
Masaki Wada	Ethical Trading Japan Manager, Burberry Japan K.K.
Masami Yamamoto	Toppan Printing Co., Ltd.
Minoru Matsuzaki	Manager, CSR Department, Group Compliance Division, Corporate Governance Office, Olympus Corporation
Motoko Kawasaki	Operations Manager, CSR Group, Corporate General Administration Division, Fujifilm Holdings Corporation
Nanami Koseki	CSR Strategy Group, Corporate Social Responsibility Department, Presidential Administration Office, Mitsubishi Heavy Industries, Ltd.
Naoko Morizane	NEC Corporation
Noriko Kimura	SA8000 Group, AEON Supplier CoC Secretariat, Group Corporate Citizenship Dept., AEON Co., Ltd.
Satoshi Maeda	Managing Director, Human Rights Education Department, Nomura Securities Co., Ltd.
Shigeru Sergio Machii	First Division Fourth Business Unit, Mitsui Bussan Inter-fashion Ltd.
Shinji Fukumoto	Manager, Quality Management Group Environment & Quality Division, Konica Minolta Holdings, Inc.
Sohei Motoyama	Head, CSR, Public Affairs, Sanofi K.K.
Takashi Sasama	Manager, Corporate Social Responsibility Department, Corporate Social Responsibility Division, Nippon Paper Group, Inc.
Takateru Oi	Senior Vice President, Environmental Initiative & Corporate Social Responsibility Support Department, Development Bank of Japan Inc.
Tomoko Nakamura	Corporate Responsibility Officer, Burberry Japan K.K.
Tomoko Suwa	Assistant Manager, CSR, Corporate Communication & Branding Division, CSR Promotion Department, Konica Minolta Holdings, Inc.
Toru Noritomo	Ricoh Company, Ltd.
Toshihiko Hoshino	Operations Manager, CSR Group, Corporate General Administration Division, Fujifilm Holdings Corporation
Toshihiko Itoh	CSR Officer, Corporate Social Responsibility Department, Seven & i Holdings Co., Ltd.
Yasuhiro Matsuda	Senior Specialist, CSR Division, Ricoh Company, Ltd.
Yasuhito Yazama	Manager, GHR Team, Japan Regional HR Team, Human Resources Group, General Affairs/CSR Headquarters, Nippon Yusen Kabushiki Kaisha (NYK LINE)
Youzou Nakao	Associate General Manager, CSR Department, Aijinomoto Co., Inc.
Yuka Yokoyama	NTT Data Corporation
Yukihiro Araki	Director, FUJITSU Way Unit, Fujitsu Limited
Yukiko Nakagawa	FUJITSU Way Unit, Fujitsu Limited
Yuko Deguchi	Corporate Citizenship Department, Nomura Holdings, Inc.
Yuko Tsutsui	Deputy General Manager, CSR Coordination Team, CSR Coordination Group, General Affairs/CSR Headquarters, Nippon Yusen Kabushiki Kaisha (NYK LINE)

#### Participants from Governmental agency, NGO/NPOs, Academic institutions and others

Ai Aonuma	President, ek sathe
Kaori Kuroda	Executive Director, CSO Network Japan
Kenichi Kumagai	The Japan Association for Advancement of ILO Activities
Makoto Teranaka	Visiting Professor, Faculty of Contemporary Law, Tokyo Keizai University
Osamu Shiraishi	Director, Asia-Pacific Human Rights Information Center
Toshihiko Fujii	The Research Institute of Economy, Trade and Industry (RIETI)

#### Collaborated with;

Hideori Imazu	Toppan Editorial Communications Co., Ltd.
Hiro Motoki	Chief Executive, E-Square Inc.
Satoko Fujiki	Key Account Manager, Consumer Testing Service, Social Responsibility Solutions, SGS Japan Inc.
Takao Hiraishi	Managing Director, Brain Center Inc.
Yoshihiko Yamabuki	General Manager, Cetus & General Press Inc.

## Appendix 2

### Worksheet A

- Please select issues which have significance to your sector and mark ●. Please also identify issues which have no relevance or less relevance to your sector and mark ▲ in the "Selected Issues ● or ▲" column. Three issues of ● and three of ▲ from Section I : Core Operation / Supply Chain, and also three issues from each of Section II : COMMUNITIES and III: SOCIETY AND GOVERNMENTS. A total of 12 issues should be selected.
- Regarding the issues you marked ●, please select the related value chain and mark ●. Multiple marks are allowed.
- Please write concrete points for significant issues (●) with each issue number, while also stating the reasons for marking ▲ with each issue number.

These human rights issues are based on the "Identifying the human rights issues and expectations relevant to business (based on internationally recognised standards and voluntary initiatives)" in the Guidance Tool issued by the UNEP FI in 2011.

I . CORE OPERATION / SUPPLY CHAIN 事業 / サプライチェーン			1. Select Issues ● or ▲	2. Only for the significant issues, select the related value chain and mark ● (multiple marks allowed)											
				Funding	Facility Construction	Research	Development	Procurement	Production	Storage	Transportation	Sales and Marketing	Consumption/Use	Disposal	Others
1. Workplace conditions 職場における待遇	a	Working hours 労働時間													
	b	Wages 賃金													
	c	Health and Safety 健康および安全													
	d	Disciplinary practices 懲戒処分													
2. Discrimination 差別	e	Recruitment 採用													
	f	During work 従業時													
	g	Redundancy and dismissal 整理解雇、解職													
3. Child labour 児童労働	h	Risks to children 危険な作業や雇用													
	i	Minimum age 最低年齢													
	j	Working hours and conditions of employment 労働時間と労働条件													
	k	Worst forms of child labour 最悪の形態の児童労働													
4. Forced or compulsory labour 強制労働	l	Employment of young workers 18歳未満の若年労働者の雇用													
	m	Prison labour 囚人の作業もしくは役務													
	n	Deposits and papers 雇用にあたり保証金や文書の提出を求める搾取													
	o	Forced overtime 強制的な残業													
5. Freedom of association and collective bargaining 結社の自由と団体交渉権	p	Trafficking of workers 人身売買													
	q	Freedom to associate and to bargain collectively 結社の自由と団体交渉権													
	r	Conflict with local law 国内法で認められていない場合の措置													

3. Which are significant issues to your sectors? Please select three issues from section I , and fill in the issue number and concrete points related to each issue below.

● Issue No.	Concrete points

3. Which issues are not relevant or less relevant to your sector? Please select three issues from section I , and fill in the issue number and the reason below.

▲ Issue No.	The reason you marked ▲

## Appendix 2

### Worksheet A

- Please select issues which have significance to your sector and mark ●. Please also identify issues which have no relevance or less relevance to your sector and mark ▲ in the "Selected Issues ● or ▲" column.  
Three issues of ● and three of ▲ from Section I : Core Operation / Supply Chain, and also three issues from each of Section II : COMMUNITIES and III: SOCIETY AND GOVERNMENTS. A total of 12 issues should be selected.
- Regarding the issues you marked ●, please select the related value chain and mark ●. Multiple marks are allowed.
- Please write concrete points for significant issues (●) with each issue number, while also stating the reasons for marking ▲ with each issue number.

These human rights issues are based on the "Identifying the human rights issues and expectations relevant to business (based on internationally recognised standards and voluntary initiatives)" in the Guidance Tool issued by the UNEP FI in 2011.

II. COMMUNITIES コミュニティ			1. Select Issues ● or ▲	2. Only for the significant issues, select the related value chain and mark ● (multiple marks allowed)											
				Funding	Facility Construction	Research	Develop- ment	Procure- ment	Production	Storage	Transport ation	Sales and Marketing	Consume/ Use	Disposal	Others
1. Resources 資源	a	Use of natural resources 天然資源(水や土地等)の利用													
	b	Use of infrastructure インフラ(道路、電気、上下水道等)の利用													
2. Security 治安	c	State provision of security 国家による警備の提供													
	d	Non-state groups and security payments 非政府勢力への支払い													
	e	Detainment 拘束													
3. Access to Land 土地へのアクセス	f	Title to land 土地の所有権													
	g	Voluntary relocation - consultation and compensation 自主的な土地移転を促す協議と補償													
	h	Forced relocation 強制移住													
4. Community investment コミュニティへの投資	—	—													

III. SOCIETY AND GOVERNMENT 社会と政府			1. Select Issues ● or ▲	2. Only for the significant issues, select the related value chain and mark ● (multiple marks allowed)											
				Funding	Facility Construction	Research	Develop- ment	Procure- ment	Production	Storage	Transport ation	Sales and Marketing	Consume/ Use	Disposal	Others
Relations with Governments 政府との関係	a	Operations in countries in conflict 紛争国における事業													
	b	Entry (pre and post conflict) 紛争前および紛争後の国への進出													
	c	Relations to states with poor human rights records 人権に対する認識が低い国との関係													
	d	Money laundering and transparency マネーロンダリングと透明性													
	e	Bribery and corruption 賄賂と腐敗													

3. Which are significant issues to your sectors? Please select three issues from section II & III, and fill in the issue number and concrete points related to each issue below.

● Issue No.	Concrete points

3. Which issues are not relevant or less relevant to your sector? Please select three issues from section II & III, and fill in the issue number and the reason below.

▲ Issue No.	The reason you marked ▲