

## List of Resources Regarding Human Rights Due Diligence

### Efforts by the Japanese government and government agencies



#### Japanese government

##### Guidelines on Respecting Human Rights in Responsible Supply Chains **PDF**

[https://www.meti.go.jp/english/press/2022/pdf/0913\\_001a.pdf](https://www.meti.go.jp/english/press/2022/pdf/0913_001a.pdf)



#### Ministry of Foreign Affairs

##### A Compilation of Case Studies on Business and Human Rights **PDF**

<https://www.mofa.go.jp/files/100348374.pdf>



#### Japan External Trade Organization (JETRO)

##### Supply Chains and Human Rights special website

[https://www.jetro.go.jp/world/scm\\_hrm/](https://www.jetro.go.jp/world/scm_hrm/)

If you have trouble scanning a particular QR code, try covering nearby codes with your finger, etc., then trying again.

### Principal international documents



#### United Nations

##### Guiding Principles on Business and Human Rights **PDF**

[https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

The principle was endorsed by consensus in the United Nations Human Rights Council in 2011. They set out the three pillars of 1. states' obligation to protect human rights, 2. business enterprises' responsibility to respect human rights, and 3. access to remedies. They also clearly stipulate what is required of business enterprises when implementing human rights due diligence.



#### OECD

##### Guidelines for Multinational Enterprises **PDF**

<http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

These guidelines were formulated by the OECD in 1976. They are recommendations on how multinational business enterprises should independently engage in responsible business conduct. The guidelines were revised in 2011 to include states' obligation to protect human rights, as well as business enterprises' responsibility to respect human rights.



#### OECD

##### Due Diligence Guidance for Responsible Business Conduct **PDF**

[https://www.mofa.go.jp/mofaj/gaiko/csr/pdfs/oecd\\_gm.pdf](https://www.mofa.go.jp/mofaj/gaiko/csr/pdfs/oecd_gm.pdf)

This guidance was formulated by the OECD in 2018 to provide practical methods for implementing the Guidelines for Multinational Enterprises. Detailed manuals have been published for various industry sectors, including clothing, footwear, and minerals, based on the risks specific to each of those industries.



#### ILO

##### Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy **PDF**

[https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---multi/documents/publication/wcms\\_094386.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf)

This is also known as the ILO MNE Declaration. The document provides direct guidance for business enterprises (both multinational and domestic) related to social policy and inclusive, responsible, and sustainable business practices.

### INDEX

#### P.2

What Are Efforts to Respect Human Rights?

The Significance of Respecting Human Rights when Engaging in Business Activities

#### P.3

Targets of the Guidelines

Scope of Human Rights

Approaches To Efforts to Respect Human Rights

#### P.4

Steps in Engaging in Efforts to Respect Human Rights

STEP 1 Formulating and publishing a human rights policy

STEP 2 Human rights due diligence

STEP 3 Remedy

#### P.5

Business Enterprise Case Studies

#### P.6

Specific Processes Involved in Implementing Human Rights Due Diligence

#### P.8

List of Resources Regarding Human Rights Due Diligence

Human Rights Due Diligence

# Guidelines on Respecting Human Rights in Responsible Supply Chains

## Digest Version

What is human rights due diligence?

Who is responsible for human rights due diligence?  
Does my company have to do it too?

What should I be careful of when engaging in efforts to respect human rights?

Our company is engaging in efforts to respect our employees' human rights, but is that not enough?

## What Are Efforts to Respect Human Rights?

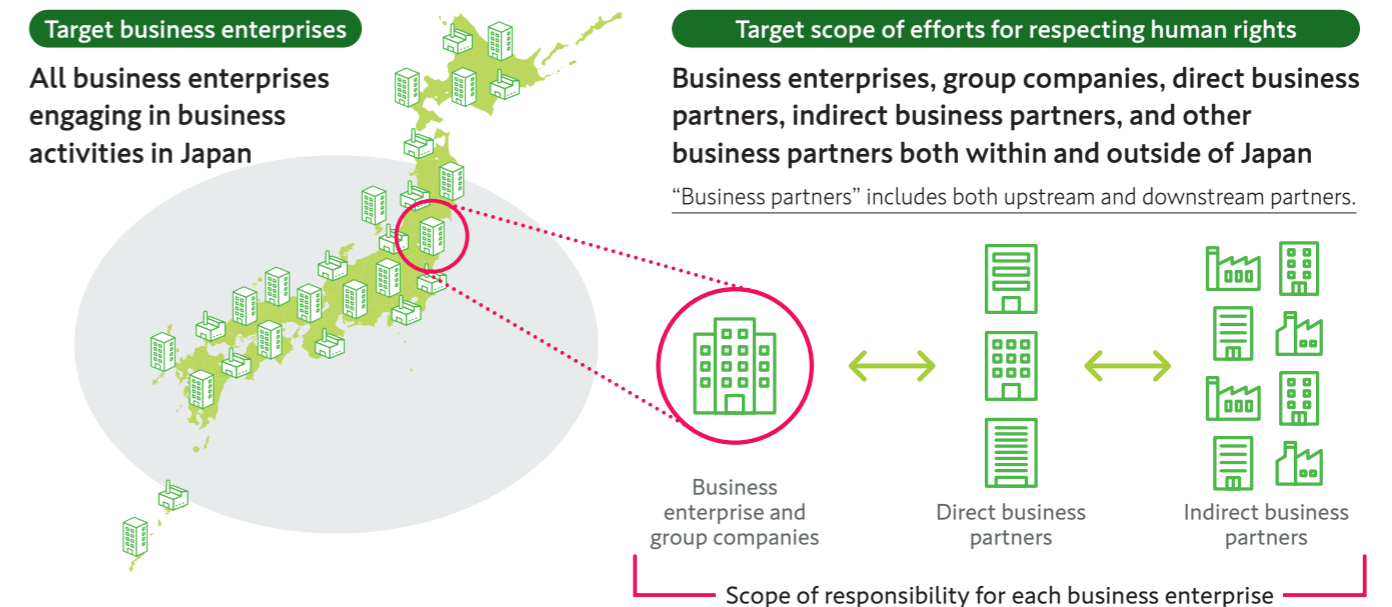
- In 2011, the United Nations Human Rights Council unanimously endorsed the **Guiding Principles on Business and Human Rights**, which accelerated international **efforts to demand that business enterprises respect human rights**.
- The Japanese government also formulated its National Action Plan on Business and Human Rights (2020–2025) in 2020 based on the UN Guiding Principles.
- The results from the Questionnaire Survey on the Status of Efforts on Human Rights in the Supply Chains of Japanese Companies published in November 2021 also indicated strong demand for the Japanese government to establish guidelines.
- Domestic laws are currently being introduced mainly in Europe to oblige business enterprises to engage in efforts to respect human rights.
- The Japanese government formulated the guidelines (1) based on international standards including the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the ILO MNE Declaration, and other international standards, (2) **in a concrete and easy-to-understand manner with specific examples**.

Human rights policy (Guidelines Chapter 3)	Expression of commitment to meet the responsibility to respect human rights (UN Guiding Principle 16, Guidelines Chapter 3)	↔	Dialogues with stakeholders
Human rights due diligence (UN Guiding Principle 17) (Guidelines Chapter 4)	Identification and assessment of adverse human rights impacts (UN Guiding Principle 18, Guidelines Section 4.1)	↔	
	Prevention and mitigation of adverse human rights impacts (UN Guiding Principle 19, Guidelines Section 4.2)	↔	
	Tracking of activity effectiveness (UN Guiding Principle 20, Guidelines Section 4.3)	↔	
	Communication and information disclosure (UN Guiding Principle 21, Guidelines Section 4.4)	↔	
Remedy (Guidelines Chapter 5)	Responses to adverse human rights impacts (UN Guiding Principle 22, Guidelines Chapter 5)	↔	

## The Significance of Respecting Human Rights When Engaging in Business Activities

- Business efforts to respect human rights should **aim to prevent, mitigate, and remedy adverse human rights impacts from business activities**.
- As a result of such efforts, business enterprises can contribute to achieving a sustainable economy and society, maintain and acquire social credibility, as well as maintain and improve their corporate value.

## Targets of the Guidelines



## Scope of Human Rights

- In **the guidelines**, the term “human rights” **refers to internationally recognized human rights**. These include, at a minimum, **rights expressed in the International Bill of Human Rights, and the principles concerning fundamental rights as stated in the “ILO Declaration on Fundamental Principles and Rights at Work**. In concrete terms, these rights include freedom from forced or child labour, freedom of association, the right to collective bargaining, freedom from discrimination in employment and occupation, freedom of movement and residence, and freedom from discrimination on the ground of race, disability, religion, social origin, sex, or gender.

## Approaches to Efforts to Respect Human Rights

### 1 Management’s commitment is important

Efforts to respect human rights should be implemented by overall business enterprise activities, including recruitment, procurement, manufacturing, sales, and others. The entire business enterprise needs to be involved in these efforts.

### 2 The risk of human rights abuses exists within any business enterprise

It is important for each business enterprise to consider how to identify, prevent, and mitigate the risk of human rights abuses and to disclose their efforts to do so on the assumption of the existence of potential adverse impact.

### 3 Dialogues with stakeholders are important

It is crucial to hold dialogues with stakeholders (business partners, employees of the business enterprise, group companies, business partners, labour unions and worker representatives, and consumers, in addition to NGOs such as civil society organizations and other entities, industry organizations, human rights defenders, nearby residents, indigenous peoples, investors and shareholders, national governments, local governments, and other organizations) throughout all efforts to respect human rights. For example, business enterprises should try and understand the actual status and causes of adverse human rights impacts through such dialogues.

### 4 Take action after setting an order of priority

If it proves difficult to implement all efforts at the same time, business enterprises should give priority to addressing adverse human rights impacts with higher levels of severity.

### 5 Cooperation by each business enterprise is important

Business enterprises should cooperate in efforts to respect human rights together. If a business enterprise requires business partners to engage in efforts to respect human rights where the business enterprise unilaterally imposes an excessive burden on the business partners by using its contractual status, it may be in violation of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors and the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

## Steps in Engaging in Efforts to Respect Human Rights

### STEP 1 Formulating and publishing a human rights policy

#### Formulating a human rights policy

Business enterprises should express their commitment to meet the responsibility to respect human rights inside and outside the business enterprise through a human rights policy that fulfills the five requirements shown below.

#### Five requirements to be fulfilled by the human rights policy:

- 1 It is approved at the most senior level of the business enterprise
- 2 It is informed by relevant internal and/or external expertise
- 3 It stipulates the business enterprise's human rights expectations of personnel, business partners and other parties directly linked to its operations, products, or services
- 4 It is publicly available and communicated internally and externally to all personnel, business partners, and other relevant parties
- 5 It is reflected in the operational policies and procedures necessary to embed it throughout the business enterprise

### STEP 2 Human rights due diligence ⇒ The specific process is introduced on pages 6 and 7.

Human rights due diligence refers to a series of acts undertaken by business enterprises to identify, prevent, and mitigate adverse human rights impacts in their business enterprise, group companies, and suppliers, etc., to track the effectiveness of their responses, and to account for and disclose information on how they address adverse human rights impacts.

Human rights due diligence is an ongoing process to prevent and mitigate adverse human rights impacts while holding dialogues with stakeholders.

### STEP 3 Remedy

When it has become clear that a business enterprise caused or contributed to adverse human rights impacts, the business enterprise should implement a remedy or cooperate in the implementation of a remedy.

Specific examples of remedies may include apologies, restitution, rehabilitation, and financial or non-financial compensation, as well as the establishment or statement of a recurrence prevention process, and request for recurrence prevention to the suppliers, etc.

Business enterprises should enable a remedy by establishing a grievance mechanism or through participation in a grievance mechanism established by an industry organization, and others.

#### State-based remedy mechanisms

State-based remedy mechanisms include trials in courts, as well as the individual labour dispute resolution systems of the Ministry of Health, Labour and Welfare (MHLW), the Japanese National Contact Point composed of the Ministry of Foreign Affairs (MOFA), MHLW, and the Ministry of Economy, Trade and Industry (METI), human rights counseling, investigation, and remedy procedures provided by the Legal Affairs Bureau of the Ministry of Justice (MOJ), and the Native Languages Consultation at the Organization for Technical Intern Training.

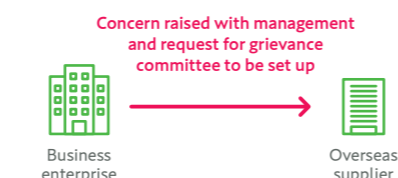
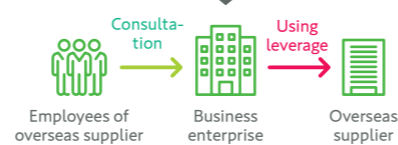
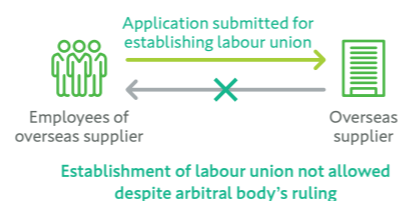
#### Case studies

##### Remedy

A business enterprise's overseas supplier does not allow establishment of a labour union. An arbitral body issued an award ruling that establishment of the labour union should be allowed, but the supplier did not comply with the arbitral award. The supplier's employees consulted with the business enterprise and the business enterprise urged the supplier to comply with the arbitral award.

##### Grievance mechanism

A business enterprise has a hotline that can be used also by employees of domestic and overseas suppliers. In light of a large number of consultations about a specific human rights abuse in the workplace of a specific employees of overseas supplier, the business enterprise raises the concern with the supplier's management and asks it to set up a grievance committee.



## Business Enterprise Case Studies

### Examples of Efforts by chemical manufacturer A

#### STEP 1 Formulating and publishing a human rights policy

This stipulates the company's basic approach to human rights, including education and training, human rights due diligence, remedies, information disclosure, and dialogues.

#### STEP 2 Human rights due diligence

##### 1 Identifying and assessing adverse human rights impacts

**Business enterprise and group companies:** carrying out investigations by the business enterprise, in addition to outsourcing investigations into potential adverse human rights impacts of the business enterprise and group companies, then evaluating these adverse human rights impacts

**Business partners:** Investigating the status of efforts by business partners to respect human rights via questionnaires and on-site field audits

##### 2 Prevention and mitigation of adverse human rights impacts

**Holding online seminars with the aim of educating business partners and giving instruction on improvements**

**Spreading the procurement guidelines throughout business partner companies**

##### 3 Assessing the effectiveness of efforts

**Assessment by the business enterprise:** reviewing the procurement guidelines and questionnaire survey items

**Assessment by third parties:** engaging in dialogues with international NGOs and other stakeholders, then making improvements based on their advice and assessments

##### 4 Communication and information disclosure

**Disclosing information on the website:** publishing the progress and results of efforts to respect human rights, as well as advice from outside experts, on the company website

#### STEP 3 Remedy

**Internal reporting system (for employees of the business enterprise):** conducting fact-finding investigations, raising concerns and providing education necessary to make corrections, and monitoring the situation to make sure that whistleblowers are not subjected to any reprisals

**Grievance mechanism:** currently considering the introduction of a reporting system for the employees of business partners

### Examples of efforts by food manufacturer B

Company B identifies and assesses potential adverse human rights impacts arising in the course of the company's business activities and takes steps to achieve sustainable raw material procurement by first

addressing human rights issues affecting workers in the specific supply chains that the company has particularly identified as high-priority adverse human rights impacts.

#### POINT Formulating a policy and engaging in efforts to achieve sustainable raw material procurement

##### Formulating a procurement policy

The company's products are used in a wide range of applications, from food to chemicals, and there are concerns regarding deforestation caused by agricultural development and adverse human rights impacts including forced and child labour. As a way of addressing these issues, the company has formulated a procurement policy in which it has declared its commitment to No Deforestation, No Peat, and No Exploitation (NDPE) for all products produced in the group's supply chains.

##### Efforts to support suppliers (support for capacity building)

Through its local group companies, the company is implementing a program to improve the working environments of its supply chains. This program is held face-to-face with managers of local plants and farms, etc., and provides information and supporting documents on following compliance while also offering training, etc. for dedicated staff and departments to reduce adverse human rights impacts in the operations of its suppliers and supply centers.

### ① Identification and assessment of adverse human rights impacts

- Business enterprises identify adverse human rights impacts in their business enterprise, group companies, and in their supply chain including business partners and assess the level of severity.
- If it is difficult to immediately address all adverse human rights impacts, consider prioritization of responses based on the level of severity of adverse human rights impacts.

#### Examples of methods for investigating adverse human rights impacts

- Investigating using information published by international organizations, etc. (reference materials are introduced in the guidelines)
- Sending questionnaires to business partners, etc.
- On-site visits
- Dialogues with related stakeholders

The above are only given as an example. Business enterprises should consider appropriate investigative methods based on the specific situation.

It is also necessary to consider vulnerable stakeholders and business in areas affected by conflict and other situations.

#### Ongoing impact assessments

Conduct regular questionnaire surveys, interviews, etc. of employees of a business enterprise's factory to assess adverse human rights impacts (e.g., working in a dangerous work environment). In this process, make sure that employees can submit their responses without being viewed by their employer.

#### Collection of relevant information

Based on the database of cases of human rights abuses, a business enterprise identifies sectors and regions in which adverse human rights impacts (e.g., forced and child labour) are, in general, likely to occur and checks the situations of its suppliers, etc.



### ② Prevention and mitigation of adverse human rights impacts

#### When a business enterprise causes or contributes to adverse human rights impacts

The business enterprise should ensure that the actions that "cause" or "contribute" to adverse human rights impacts are suspended or terminated and prevent actions that may "cause" or "contribute" in the future. In the case of actions that may be difficult to suspend or terminate immediately due to operational, contractual, or legal issues, create a roadmap for how to suspend or terminate the actions and suspend or terminate the actions in stages.

#### Example of approach

- Despite explicit prohibition by law, a business enterprise retained passports of technical intern trainees and concluded contracts to manage their savings. Because this practice was discovered, the business enterprise checked for such practices in its other departments as well as in its suppliers, informing them of the illegality of such practices and demanded their termination.

#### When a business enterprise's operations are directly linked to adverse human rights impacts

The business enterprise should strive to prevent or mitigate adverse human rights impacts by using its leverage on the entities that "cause" or "contribute" to those adverse human rights impacts. If the business enterprise has no leverage, securing and strengthening leverage or providing support.

#### Example of approach

- An on-site inspection of an overseas supplier found normalization of excessive overtime working hours that violated the local labour law. After confirming that the business enterprise allocates adequate time to the supplier for its production and delivery, the business enterprise expresses serious concerns to the supplier, and requires immediate improvement of the legal violations.

Disengagement should be considered as a last resort and implemented only when it is found appropriate, as doing so could further aggravate the adverse human rights impacts.



## Dialogues with stakeholders

### ④ Communication and information disclosure

● Business enterprises should be able to explain that they meet their responsibility to respect human rights. When facing an allegation of adverse human rights impacts, especially expressed by stakeholders that could be adversely affected, it is essential for the business enterprise to be able to explain the measures it has taken.

● Even when an actual abuse of human rights is identified, the information disclosure on the efforts for human rights will not reduce the enterprise value. On the contrary, it can increase the business enterprise value because it shows its willingness to improve and its transparency, and it should receive recognition from its stakeholders. Business enterprises are expected to communicate and disclose information proactively.

#### Examples of information to be disclosed

Measures taken to establish the human rights policy across the business enterprise; identified area of material risk; identified (or prioritized) severe adverse impacts or risks; criteria of prioritization; information on actions to prevent or mitigate risks, and; information on tracking effectiveness.

#### Information disclosure methods

Business enterprises need to provide information in a way accessible for intended receivers of the information. For example, when disclosing to the general public, information may be posted on the website of the business enterprise, etc. On the other hand, when disclosing information to stakeholders who will be or are exposed to adverse human rights impacts, online dialogues and other in-person meetings may be used.

### ③ Assessment of the effectiveness of efforts

- Business enterprises should examine whether or not the countermeasures taken were effective in preventing or mitigating adverse human rights impacts or whether there are more effective countermeasures.
- Before assessment, it is necessary to collect information widely. For example, in addition to various internal data (including information obtained through its grievance mechanism), a business enterprise can collect information from its stakeholders inside and outside of the business enterprise.

#### Specific assessment methods

Interviews of its employees, suppliers, etc.; use of questionnaires; visits to frontlines, including factories of the business enterprise and suppliers; audits; and surveys by a third party.

#### Example of integrating effectiveness assessment into an internal process

Implement periodic inspection of suppliers, etc. by a responsible department on items related to human rights in addition to the environment and occupational health and safety. By analyzing and comparing the results with past results, the responsible department examines whether adverse human rights impacts are addressed effectively, while important items are referred and reported to the management meetings and the board of directors.

