

# Respect for Human Rights – Significance for Business-

- Respect for Human Rights is global request for business
  - UN Guiding Principles endorsed in 2011
  - Development of legislations on the ground of human rights since the late 2010s
  - Investors and consumers become increasingly keen on human rights



- ◆ **Significant risk of isolation from global supply chains** if business don't face this global request
- ◆ Respect for human rights should be for rights holders, foremost; but, **business can also gain positive effects** such as
  - Improvement of human resources management
  - Improvement of corporate brand
  - Enhancement of investment ratings, etc.

# Japan's Approach

- METI set up Business and Human Rights Policy Office in 2021
- Main missions:
  - (1) Raise awareness about the importance of human rights in the business sector
  - (2) Create an enabling environment in which business engages in respect for human rights proactively

## **I. "Guidelines on Respect for Human Rights in Responsible Supply Chains"** (September, 2022)

- Following international standards including UNGP, OECD MNE Guidelines, ILO MNE Declaration
- Easy for business in reading with a lot of examples
- Emphasis on stakeholder engagement

## **II. "Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains"** (April, 2023)

- Examples of components of human rights policies
- Procedures and Info on human rights risks associated with products and regions
- Worksheet to identify human rights risks

# International Cooperation

- Corporate human rights activities in supply chains are NOT confined within one country. Therefore, **international cooperation is critical.**
- In this respect, **Japan**, as the presidency of this year, **lead G7 discussions, and reached agreement to strengthen international cooperation within and beyond the G7** towards ensuring respect for human rights and enhancing predictability for businesses

## G7 Trade Ministers' Statement, April 4, 2023

Recognizing **the need to deepen discussions within and beyond the G7 on business and human rights**, we intend **to strengthen cooperation and collective efforts towards ensuring respect for human rights and international labor standards in business activities** and further enhancing resilience, predictability and certainty for businesses and call upon others to join us in these efforts, including by aligning with international standards. For this, we will **accelerate exchange of information on relevant regulation and policies through a network of experts.**

## G7 Hiroshima Summit, May 19 -21, 2023

Recognizing **the need to deepen discussions within and beyond the G7 on business and human rights**, we intend **to strengthen cooperation and collective efforts**, including by accelerating exchange of information, **towards ensuring respect for human rights and international labor standards in business activities and global supply chains**, and **further enhancing resilience, predictability and certainty for businesses**, and call upon others to join us in these efforts.

# Cooperation in Asia: Responsible Value Chain

- With the aim of promoting responsible business conduct, METI is implementing projects through funding ILO :
  - Provide support and training to improve working conditions and familiarize with international labor standards, and
  - Work on skills development.



## “Building Responsible Value Chains in Asia through the Promotion of Decent Work in Business operations”

Funding USD 6.8 m (Apr 2022- Mar 2024)

- ◆ Providing advice and assessment on human rights and working conditions at production sites, and training on human rights due diligence (HRDD)
- ◆ Collecting good practices on HRDD implemented by Japanese enterprises in Asia

【Countries (sectors)】



Bangladesh (garment) , Cambodia (garment)   
 Vietnam (garment and electronics) 

## “Skills Development and Responsible Business Conduct for Transition”

Funding USD 2 m (Apr 2023- Mar 2025)

- ◆ Support for skill development and dissemination of HRDD in Asia

【Countries (sectors)】

Thailand (automotive) , Indonesia (electronics) 

- ◆ Dialogue between G7 and Asia focusing on synergies between respect for human rights and inclusive growth