

Responsible Business Conduct and Human Rights Due Diligence: Good Practices of Japanese Companies

1. Embed responsible business conduct into policies and management systems

Formulation and dissemination of policies

- ▶ Formulation of its Human Rights Policy in dialogue with various stakeholders and with reference to international documents. [ASICS]
- ▶ Systematic development of various internal policies, including a human rights policy and procurement policy, under the group Standards of Conduct. [Toshiba]
- ▶ Efforts to disseminate a human rights policy by preparing and distributing handbooks in the local official language. [Canon]

Development of internal systems

- ▶ Promotion of company-wide initiatives through a human rights promotion secretariat and risk management committee. [Canon]
- ▶ Establishment of Responsible Value Chain Subcommittee to promote group-wide efforts to respect human rights. [Brother]
- ▶ Development of systems that promote cross-functional cooperation through Sustainability Committee, CSR Procurement Committee, etc. [Wacoal]

Training and Awareness-raising

- ▶ Promotion of internal understanding of the handling of CSR procurement through role-playing workshop training, etc., where employees can deepen their understanding proactively. [Teijin Frontier]

2. Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services

Ensuring opportunities for dialogue

- ▶ Implementation of labor-management dialogue dedicated to human rights, separate from the Worker/ Management Conference, to grasp employees' concerns about human rights. [Canon]
- ▶ Implementation of factory audits while engaging in dialogue and taking into account characteristics of foreign workers, such as conducting interviews in their native language. [Miki Shoko]

Establishment of systems and means for understanding human rights issues

- ▶ Efforts to grasp the working conditions at local factories through various means such as weekly reports and factory visits. [Kojima Iryo]
- ▶ Comprehensive support by Headquarters for self-assessments by each group company to grasp its human rights and labor-related issues. [Panasonic]
- ▶ Provision of multiple mechanisms to collect feedback from employees at factories to identify potential adverse impacts at early stages. [Canon]

Establishing supply chain traceability

- ▶ Efforts to ensure traceability up to fourth level suppliers, prioritizing specific raw materials. [ASICS]
- ▶ Efforts to ensure traceability through confirmation of supply chain from direct suppliers at the product planning stage. [Fast Retailing]

3. Cease, prevent and mitigate adverse impacts

Preventing and mitigating adverse impacts through dialogue

- ▶ Promotion of the fostering of a culture of occupational safety and health through dialogue with local employees on Health and Safety Committee established within a factory. [Panasonic]
- ▶ Reduction of the risk of industrial accidents through dialogue with employees. [Wacoal]
- ▶ Efforts to ensure that technical intern trainees are not burdened with recruitment fees for being sent from their home countries through payment of the fees by the company and through confirmation with technical intern trainees. [Teijin Frontier]

Promoting and supporting the efforts of business partners

- ▶ Requests and provision of support for initiatives at suppliers based on the Policy of Engagement. [ASICS]
- ▶ Use of information obtained through a grievance mechanism to grasp priority issues and support the prevention and mitigation of adverse impacts at production partners. [Fast Retailing]
- ▶ Promotion of compliance with CSR procurement guidelines by suppliers through incentives. [Miki Shoko]
- ▶ Encourage the prevention and mitigation of adverse impacts at suppliers through feedback on the results of CSR questionnaires and individual interviews. [Brother]

Collaboration among companies

- ▶ Collect information on local labour laws and regulations in collaboration with other companies through local study groups and other opportunities to protect and promote employees' rights [Maruhisa]

4. Track implementation and results

Use of monitoring results to prevent and mitigate adverse impacts

- ▶ Promotion of the occupational health and safety management system and investigating and analyzing the circumstances of serious occupational accidents, which is utilized for preventing reoccurrence. [Panasonic]
- ▶ Use of existing indicators collected by HR department, such as working hours, to evaluate the effectiveness of measures taken in human rights due diligence [Canon]

Use of monitoring results to improve HRDD methods

- ▶ Self-assessment of its Hotline for supplier employees in accordance with UNGPs and addressing issues identified. [Fast Retailing]
- ▶ Efforts to improve the human rights due diligence process such as promoting the proactive initiatives of production partners and using the evaluation tools of an industry-common framework based on issues in previous practices. [Fast Retailing]
- ▶ Regular surveys on the compliance with procurement policies by suppliers, and strengthening and improving monitoring methods. [Toshiba]

5. Communicate how impacts are addressed

Efforts to improve information disclosure

- ▶ Efforts to disclose both qualitative and quantitative information, in a manner that is easy for stakeholders to understand. [Toshiba]
- ▶ Disclosure of information in a comprehensive manner by focusing on “salient human rights risks” identified within the group and providing descriptions of the state of responses and policies about each salient risk. [Canon]

Detailed information disclosure

- ▶ Proactive disclosure of related information such as the number and breakdown of reports towards ensuring the transparency of the grievance mechanism. [Panasonic]
- ▶ Disclosure not only of an overview of initiatives in workplace monitoring, but also of the results of evaluations and explanations of the evaluation categories in an easy-to-understand way. [Fast Retailing]

Commitment through information disclosure

- ▶ Commitment to company's own efforts and the promotion of further initiatives by suppliers through the disclosure of a list of suppliers. [Wacoal]

6. Provide for or cooperate in remediation when appropriate

Establishment and improvement of grievance mechanisms

- ▶ Efforts to ensure the effectiveness of a global hotline through various measures, including informing the status of responses to the person who report complaints. [Panasonic]
- ▶ Efforts to make the system predictable for users through disclosure of the operating process and timeline of the grievance mechanism. [Fast Retailing]
- ▶ Improvement of access to remedy through the establishment of a grievance mechanism and participation in the mechanism of an external group. [Brother]

Cooperation with and support for business partners

- ▶ Enabling of prompt responses when problems including human rights violations occur by using Crisis Analysis Report with suppliers and building an information-sharing framework. [ASICS]
- ▶ Support for suppliers in the introduction of a grievance mechanism and the resolution of problems raised through the mechanism. [Miki Shoko]

Other good practices: ILO MNE Declaration

- ▶ Creation of opportunities for employees at overseas factories to assume higher positions through the provision of training programmes. [Kojima Iryo]
- ▶ Encouragement for suppliers to participate in Better Work programme and the promotion of worker-management dialogue at suppliers. [Fast Retailing]



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