

## **Japan's National Action Plan on Business and Human Rights**

As part of our commitment to the implementation of the Guiding Principles on Business and Human Rights, at the 2016 United Nations Forum on Business and Human Rights, the Government of Japan officially announced Japan's intention to formulate a National Action Plan (NAP) on Business and Human Rights in the coming years. The development of the NAP is significant for achieving the Sustainable Development Goals (SDGs); it is one of the concrete measures listed under Japan's SDGs Implementation Guiding Principles.

In the first stage of the NAP formulation process, the Government of Japan initiated a baseline study to assess to what extent current legislation and initiatives provide for the protection of human rights in the course of business activities. To capture the current landscape, the Government of Japan organized a series of consultations with multi-stakeholders including business associations, trade unions, academia and civil society.

### **1<sup>st</sup> multi-stakeholder consultation**

On March 8, 2018, the Government of Japan organized the first multi-stakeholder consultation on the topic of public procurements.

1. The relevant ministries and government-related entities reported on the current situations and measures regarding public procurement, focusing on Act on Promoting Green Procurement, Act on Priority Procurement Promotion for Persons with Disabilities, Act for Eliminating Discrimination against Persons with Disabilities, procurement based on Article 20 of Act on Promotion of Female Participation and Career Advancement in the Workplace, and procurement related to development assistance.
2. Subsequently, the Tokyo Organising Committee of the Olympic and Paralympic Games presented on their Sustainable Sourcing Code, and the stakeholders gave presentations on possible risks faced by companies or workers.
3. The following recaps some of the main discussion points from the meeting.

## **Broad view**

While only business activities tend to draw attention in the area of business and human rights, it is necessary to have comprehensive approaches including raising awareness for the general public. Important to be aware of links with SDGs.

## **Management of human rights risks**

Support for small and medium-sized enterprises (SMEs) needed. Supply chain management is a challenge. In the area of public procurement, it is also important to ensure access to remedy, including the establishment of remedy mechanisms.

## **Efforts by local governments**

Regarding public procurement, it is crucial to have extended perspectives covering not only central governments but also local governments. Various approaches are available with attention to human rights aspects or application to the standards of public procurement including point-addition or point-deduction.

4. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Secretariat, Cabinet Office, National Police Agency, Financial Services Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of the Environment, Acquisition, Technology & Logistics Agency, (Observer: Ministry of Land, Infrastructure, Transport and Tourism)

(Government Related Entities)

Japan International Cooperation Agency

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **2nd multi-stakeholder consultation**

On April 5 2018, the Government of Japan held the second multi-stakeholder consultation on the topic of equality before the law, with a particular focus on persons with disabilities, LGBT, and women.

1. Keidanren reported on their initiative “Toward the Realization of a Diverse and Inclusive Society,” particularly focusing on employment of persons with disabilities, the active participation of women and LGBT issues.
2. The relevant ministries, namely the Cabinet Office, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Health, Labour and Welfare, the Ministry of Economy, Trade and Industry (the Small and Medium Enterprise Agency) and the Ministry of Land, Infrastructure, Transport and Tourism reported on the following:
  - (1) Equal treatment in such areas as employment, housing, public facilities and services
  - (2) Specific initiatives regarding persons with disabilities, LGBT issues and women
  - (3) Human rights education and raising awareness in cooperation with the private sectors
  - (4) Initiatives to achieve the SDGs.
3. The stakeholders then reported on possible risks companies or workers might face related to persons with disabilities, women and LGBT issues.
4. The following recaps some of the main discussion points from the meeting.

## **Institution and framework**

The constitutional principle of equality is set forth as a fundamental premise for this discussion. In specific areas, the relevant legislation and companies’ voluntary initiatives are proceeding. Regarding LGBT issues in particular, voluntary initiatives by the Government and companies deepen understanding. On the other hand, some stakeholders pointed out the relevant institutional issues identified in each area.

## **Business chance**

Companies tend to respond positively toward various issues around the concept, viewing them as business opportunities; for example, women’s active participation, or the employment of people with disabilities. With the 2020 Olympic and Paralympic Games Tokyo 2020 in mind, they could be open to new options.

### **Cross-sectional links and issues**

One sector could influence various sectors. Listening attentively to persons concerned, it is important to foster an environment governed by legislation. While urban cities or large-scale companies continue to take various initiatives, it is desirable to promote further awareness-raising activities taking place in rural areas as well as targeting SME companies specifically.

### **Diversity and inclusion**

An important key concept, in terms of sustainability, is for companies to achieve “diversity and inclusion,” with the aim of enhancing vital business activities, and fully realizing diversity.

5. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan’s National Action Plan on Business and Human Rights)

(Academia)

Professor Shotaro HAMAMOTO, Graduate School of Law, Kyoto University

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Secretariat, National Personnel Authority, Cabinet Office, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure, Transport and Tourism

(Observers)

The Tokyo Organising Committee of the Olympic and Paralympic Games  
United Nations Information Centre, Tokyo (UNIC, Tokyo)

### **3<sup>rd</sup> multi-stakeholder consultation**

On April 26, 2018, the Government of Japan held the third multi-stakeholder consultation on the topic of labor (child labor, foreign workers including technical internees).

1. The relevant ministries, namely the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Health, Labour and Welfare and the Ministry of Economy, Trade and Industry reported on the following:
  - (1) Major labor-related legislation.
  - (2) Child labor (related legislation, initiatives/international cooperation related to child labor)
  - (3) Foreign workers (related legislation, systems for receiving foreign workers, and raising awareness).
2. Stakeholders then reported on the potential risks faced by the companies, workers and people concerned, related to the issues of child labor and foreign workers respectively.
3. The following recaps some of the main discussion points from the meeting.

### **Effective implementation of domestic legislation and institutions**

With an increase in the number of foreigners in Japan, it is important to consider the perspectives of protecting the human rights of foreigners, and of setting the mechanisms for applying effective remedies to issues. While domestic legal systems have been developed, including labor-related legislation, their effective implementation is still an issue. Concerning the Technical Intern Training Program, in particular, some stakeholders pointed out its structural issues, but with the enactment of the new legislation to improve the situation, its appropriate implementation is recommended. Regarding child labor, it is equally important to implement the domestic legislation properly.

### **Supply chains**

Concerning supply chains, companies are primarily required to handle the associated issues, but there are also limitations on how far companies can take. Thus, it is important to strengthen state actions, taking into account contents beyond the scope of the domestic legislation, including in countries sending trainees. Regarding supply chains, while some leading companies take initiatives, it is important to consider views of

boosting business competitiveness as well as expanding business opportunities.

### **Dissemination of our initiatives**

While numerous such initiatives as the Sustainable Sourcing Code prepared for the 2020 Olympic and Paralympic Games Tokyo 2020 have been ongoing in various areas, it is equally important to externally disseminate such information from the view of business and human rights.

4. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Secretariat, National Personnel Authority, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry (Observers: Ministry of Land, Infrastructure, Transport and Tourism and Technology & Logistics Agency)

(Observers)

International Organization for Migration, Tokyo (IOM Tokyo)

United Nations Information Centre, Tokyo (UNIC Tokyo)

International Labour Organization (ILO) for Japan

The Tokyo Organising Committee of the Olympic and Paralympic Games

Japan Committee for UNICEF

#### **4th multi-stakeholder consultation**

On May 11, 2018, the Government of Japan held the fourth multi-stakeholder consultation on the topic of access to remedy.

1. The relevant ministries, namely the Cabinet Office, the Consumer Affairs Agency, the Ministry of Justice, the Ministry of Foreign Affairs and the Ministry of Health, Labour and Welfare reported on the following:
  - (1) Judicial remedies such as those provided in domestic legislation such as the Code of Civil Procedure, the Penal Code and the Labor Tribunal Act and the Product Liability Act.
  - (2) Non-judicial remedies such as the Japanese National Contact Points for the OECD Guidelines for Multinational Enterprises and the initiatives in labor-related areas as well as for persons with disabilities and consumers based on specific laws.
2. Stakeholders presented the potential risks faced by the companies, workers and people concerned, related to judicial remedies, non-judicial remedies and company-level grievance mechanisms, and shared their views on what they envisaged would be the best remedy mechanisms.
3. The following recaps some of the main discussion points from the meeting.

#### **Improvement in access to non-judicial remedies**

Equally important as the establishment of judicial remedies, is improvement in access to non-judicial remedies through consideration of the establishment of the national human rights institutions and introducing individual communications set by the international human rights treaties and strengthening the function of the Japanese National Contact Points for the OECD Guidelines for Multinational Enterprises. Furthermore, regarding judicial remedy, although legislation and the mechanism have been in place, some available procedures (civil legal aid) have been limited only to nationals and legal residents. Considering this, one stakeholder proposed institutional improvements that could allow illegal residents in the country as well as victims abroad to access judicial remedy effectively.

#### **Centralization of information**

A wide range of non-judicial remedies in specific areas are available for the purpose of dealing with complaints pertaining to human rights violation caused in the course of

business activities. To enhance its accessibility, it would be beneficial to create a portal site where information on various mechanisms is in one place.

### **Familiarization and promotion of the company-level grievance mechanisms**

While company-level grievance mechanisms serving to complement judicial and non-judicial remedies have been increasingly established, to promote its installation and improve its reliability, it is crucial that the Government shows certain direction and in particular, is expected to provide supports to SMEs.

4. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Secretariat, Cabinet Office, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Observers)

United Nations Information Centre, Tokyo (UNIC Tokyo)

International Labour Organization (ILO) for Japan

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **5th multi-stakeholder consultation**

On May 24, 2018, the Government of Japan held the fifth multi-stakeholder consultation on the topic of human rights in international agreements.

1. The Ministry of Foreign Affairs reported on (1) International Human Rights Treaties/Optional Protocols the Government of Japan has concluded so far, (2) ILO Conventions, and (3) social agenda-related provisions in investment treaties/economic partnership agreements. The Ministry of Foreign Affairs also introduced some discussions regarding a legally binding instrument on transnational corporations and other business enterprises with respect to human rights as well as the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.
2. Professor Shotaro Hamamoto, Graduate School of Law, Kyoto University made a presentation on business and human rights related provisions in investment treaties.
3. Stakeholders shared opinions regarding human rights in international agreements with a particular focus on investment treaties/economic partnership agreements, in view of potential risks faced by the companies, workers and people concerned.
4. The following recaps some of the main discussion points from the meeting.

## **Public interest-related provisions in investment treaties/Economic Partnership Agreements**

From the viewpoint of balancing the preservation of public interest with the pursuit of investor protection, there is a recent tendency for investment treaties/Economic Partnership Agreements to contain some provisions related to social agenda including health, security, environment or labor standards. However, it does not signify a lowering of standards related to investor protection. Furthermore, TPP agreements have earned a certain reputation for their forward-thinking efforts as the agreements devote independent chapters to environment and labor.

On the other hand, a stakeholder commented that more concrete provisions on consistency with human rights and public policy should be stipulated in agreements, referring to examples of other states. Another stakeholder highlighted that it is unfair if

investors from states with signed investment agreements are subjected to certain obligations while investors from states without signed agreements are not.

### **Scope of investment treaties/Economic Partnership Agreements**

Investment treaties/Economic Partnership Agreements aim to develop amicable economic relationships between states involved. At the same time, regarding the scope of such treaties, for example, some countries include CSR or human rights related provisions in their treaties. In reality, various opinions exist as to whether such provisions should be stipulated in these treaties.

### **Difference in positions at international fora**

At international fora, concerning discussions related to international agreements, different positions among states are observed. Examples include discussions related to elaboration of a legally binding instrument on transnational corporations and other business enterprises with respect to human rights as well as the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, which demonstrate concerns regarding how such differing opinions can affect implementation. On the contrary, a stakeholder stressed it is beyond disputes between the North and South.

5. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Academia)

Professor Shotaro HAMAMOTO, Graduate School of Law, Kyoto University

(Relevant Cabinet Office, Ministries and Agencies)

National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Observers)

International Labour Organization (ILO) for Japan

United Nations Industrial Development Organization (UNIDO), Investment and  
Technology Promotion Office, Tokyo

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **6th multi-stakeholder consultation**

On June 11, 2018, the Government of Japan held the sixth multi-stakeholder consultation to go through the stocktaking process.

1. During the stocktaking meeting, building on the developments so far, the Ministry of Foreign Affairs explained a rough plan as a way forward regarding the baseline assessment on business and human rights, and discussed the plan with participants.
2. Stakeholders shared their opinions regarding how to proceed with this consultation.
3. The following recaps some of the main discussion points from the meeting. Based on these discussions, it was decided to continue examining a way forward.

## **Cross and comprehensive theme**

So far, the meetings have tackled issues considered particularly important concerning business and human rights. As compiling the baseline assessment, a stakeholder stressed the importance of clearly listing all three pillars of the UN framework. Some stakeholders shared their desires to cover comprehensive themes, including human rights education or raising awareness toward SMEs. Some also requested opportunities to address discussion topics they consider important other than topics discussed at the meetings so far.

## **Strengthening links with SDGs**

Given the point that many SDGs Implementation Guiding Principles are related to the realization of human rights, some stakeholders hoped to strengthen links further with the SDGs and the NAP formulation process, and to report the progress of the formulation process at the coming meetings of the SDGs Promotion Headquarters.

## **Toward the development of the action plan**

While going through a process of compiling this baseline assessment, some stakeholders voiced their desire for a clear-cut vision toward the development of the action plan and requested assurance of the possibility for participation and transparency in the NAP formulation process. Concerning the implementation of the international standards, some pointed out efforts by individual businesses are not adequate: their collective efforts as well as cooperation with other stakeholders are needed.

Moreover, some voiced the importance of considering real opinions from companies or members of society when identifying prioritized issues in the process.

4. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Office, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Observers)

International Labour Organization (ILO) for Japan

United Nations Information Centre, Tokyo (UNIC, Tokyo)

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **7th multi-stakeholder consultation**

On June 28, 2018, the Government of Japan held the seventh multi-stakeholder consultation for stocktaking on the baseline assessment.

1. The Ministry of Foreign Affairs (MOFA) reported that the NAP formulation process had been incorporated both in the “Expanded SDGs Action Plan 2018” approved at the 5th meeting of the SDGs Promotion Headquarters on June 15, 2018 and the “Growth Strategy 2018” (Cabinet decision on June 15, 2018). Following the discussions from the previous meeting, the MOFA explained a way forward regarding the baseline assessment on business and human rights and discussed it with the participants. The MOFA also reported international trends around the issues.
2. Stakeholders shared opinions regarding the consultation proceedings as well as the way forward.
3. Some of the stakeholders reported on issues around supply chain management and small and medium-sized enterprise (SMEs) including companies’ initiatives and development of institutions in pursuit of respecting human rights in supply chains, and links between SDGs and business and human rights.
4. The following recaps some of the main discussion points from the meeting.

## **International trends on business and human rights**

The MOFA reported about the ASEAN Intergovernmental Commission on Human Rights (AICHR) Interregional Dialogue held in Bangkok and OECD’s Global Forum on Responsible Business Conduct Roundtable for policy makers held in Paris. In both conferences, the Government of Japan presented domestic movements toward developing the NAP. A wide range of participants attended, including governments, businesses, international organizations and civil society, which showed the high level of interests on the topic. Other governments also introduced various strategies and methods in the formulation and implementation of their NAPs.

## **Management of supply chains**

Given the business environment in supply chains which has been rapidly changing, Japanese companies increasingly seem to be expected to deal with a wide range of. One stakeholder shared the view that it is important to increase transparency regarding how

to deal with human rights risks by utilizing the leverage the companies possess.

### **Companies' initiatives in supply chains**

A tendency has been seen among a number of leading companies that have been intensifying efforts to respect human rights, in particular, by providing the necessary structure or delivering relevant training diligently. Furthermore, support by the government would be necessary to boost companies' efforts and expand the range of companies which undertake them.

### **Framework to respect human rights**

Various systems exist, both regulatory and non-regulatory, to respect human rights in supply chains: some proposed a point addition or point reduction standard for public procurements. Also, considering the recognition of national and transnational human rights risks, support for SMEs would be necessary. On this point, some voiced the opinion that information sharing regarding business sections or regions where high human rights risks could exist would be beneficial for SMEs.

5. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Academia)

Professor Shotaro HAMAMOTO, Graduate School of Law, Kyoto University

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Office, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Observers)

United Nations Information Centre, Tokyo (UNIC, Tokyo)

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **8th multi-stakeholder consultation**

On July 6, 2018, the Government of Japan held the eighth multi-stakeholder consultation on the topic of supply chains.

1. Ms. Miwa YAMADA, Director of Law and Institution Studies Group, Inter-disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO), made a presentation on the theme concerning how Japanese companies would be able to effectively manage their responsible supply chain, emphasizing the importance of identifying gaps and governmental policy support.
2. The relevant ministries, namely the Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Health, Labour and Welfare, and the Consumer Affairs Agency, reported on the following:
  - (1) Guidelines concerning supply chains (OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct, and Guidance for Collaborative Value Creation)
  - (2) Current situations and initiatives in certain sections in supply chains (mineral resources, agricultural and fishery products, and labor)
  - (3) Relevant awareness-raising activities and support for companies and consumers.
3. The Tokyo Organising Committee of the Olympic and Paralympic Games reported on some concrete human rights risks discussed in the formulation process where the "Tokyo 2020 Olympic and Paralympic Games Sustainable Sourcing Code" defined the individual criteria for the sourcing of timber, agricultural products, livestock products, fishery products, paper, and palm oil.
4. Stakeholders shared respective opinions regarding supply chain risks that could potentially affect the companies, workers and people concerned.
5. The following recaps some of the main discussion points from the meeting.

## **Current development in supply chains**

Considering the recent increase in consumers' and investors' interests in supply chains, international commitments, including "Leaders' Declaration G7 Summit 7-8 June 2015,"

and domestic legislation and guidelines related to disclosure and reporting have been developed. With the aim of fulfilling social responsibilities through partnerships between companies and trade unions, some Japanese companies concluded with trade unions Global Framework Agreements concerning the building of constructive industrial relations and code of business behaviors. In the light of this tendency, the government is expected to disseminate its commitment widely and support companies by clarifying the roles of governments and companies.

### **Expectations toward companies in supply chains**

A survey conducted by IDE-JETRO shows that a large number of Japanese companies operating abroad have a policy regarding labor practices and environmental preservation. Of which, fewer propositions of SMEs have such policies compared with large-scale I companies. Furthermore, the survey reveals the relationship in supply chains in which companies require their suppliers to follow their policies on labor, safety and health and environment standards, and companies are required by their customers to follow their policies.

Another survey concerning CSR procurement conducted by the Global Compact Network Japan pointed out that the scope of due diligence undertaken by companies mostly covers the first-tier of suppliers and that each business sector has different risks. Therefore, more proactive approaches to promote respect for human rights, including disclosure and reporting on due diligence and initiatives toward social issues, are listed as an agenda. In this respect, further awareness-raising on business and human rights is necessary as companies' awareness toward relevant international frameworks and guidelines need to be further increased. Furthermore, for business and human rights, one provided an opinion that further awareness-raising by public-private initiatives, including not only companies but also consumers, is expected.

### **Utilization of existing initiatives**

Companies tend to require timely information sharing that relates to the potential risks associated with overseas business expansion and requests for consulting services. Some stakeholders suggested the utilization of existing initiatives, such as "Offices to support Japanese businesses (business support officers)" at Japanese embassies and consulates, JETRO's domestic and international office, or ILO Helpdesk for Business, to strengthen support with the focus on business and human rights areas. Some also suggested that ensuring the effectiveness of companies' initiatives or policies related to supply chains

would be challenging.

6. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Office, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Academia)

Ms. Miwa YAMADA, Director of Law and Institution Studies Group, Inter-disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

(Observers)

OECD Tokyo Centre

United Nations Information Centre, Tokyo (UNIC, Tokyo)

International Labour Organization (ILO) for Japan

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **9th multi-stakeholder consultation**

On July 30, 2018, the Government of Japan held the ninth multi-stakeholder consultation on the topic of initiatives toward SMEs.

1. At the beginning of the consultation, the MOFA explained a way forward regarding the baseline assessment on business and human rights and discussed it with the participants.
2. The relevant ministries, namely the Ministry of Economy, Trade and Industry, and the Ministry of Health, Labour and Welfare reported on the following:
  - (1) The definition of SMEs under the Japanese law.
  - (2) Employment support specified for SMEs (projects to promote women's participation and advancement in the workplace).
  - (3) Industrial development support for specific groups (Ainu policy).
  - (4) Human rights education and awareness-raising activities.
3. Stakeholders shared respective opinions regarding SMEs-related risks that could potentially affect the companies, workers and people concerned.
4. The following recaps some of the main discussion points from the meeting.

## **SMEs and business and human rights**

The UN Guiding Principles on Business and Human Rights state that they are applicable to all companies regardless of their size and sector. In the context of SMEs, the focus tends to be on the overseas business expansion of SMEs and the relationship between domestic large companies and foreign SMEs in supply chain. That said, some expressed their viewpoint that domestic SMEs, including the ones located in the prefectures, should be kept in mind also. SMEs comprise large proportions of the entire Japanese economy in terms of numbers of companies and employees. Given this, SMEs have a central role in our market economy. Notwithstanding limited resources, some companies voluntarily take initiatives to hire more women or people with disabilities. It was pointed out that it is still important to appropriately acquire a situational overview of SMEs. Furthermore, some stakeholders stressed the importance in addressing the issue of business and human rights from a viewpoint of achieving competitive equality between domestic SMEs and foreign companies.

### **External inhibiting factors specific to SMEs**

In an effort to promote respect for human rights by SMEs, it was stressed as being essential to not only have SMEs that are aware of their responsibilities but also to review the environment surrounding SMEs, exemplified by business transaction practices that might impose a burden on SMEs that have less bargaining power. Particularly regarding overseas business, a lack of adequate resources add to the difficulties in identifying and handling local potential risks and existing legislation related to human rights. Therefore, some stakeholders voiced that information sharing or support by external organizations, including governments, is beneficial.

### **Utilization of existing initiatives**

Several stakeholders suggested using the legal aid system by Japan Federation of Bar Associations or its attorney referral system for Japanese SMEs going overseas in an effort to maintain or strengthen legal aid initiatives for SMEs. Others proposed that several governmental initiatives not directly relevant to business and human rights, including “the Basic Plan on Human Rights Education and Human Rights Awareness-Raising” established on the basis of the Act on the Promotion of Human Rights Education and Human Rights Awareness-Raising, the policy to promote fair recruitment and human rights awareness-raising, and projects entrusted to the Public Interest Incorporated Foundation Center for Human Rights Education and Training, could be utilized for business and human rights, and policy coherence should be emphasized.

5. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), National Conference of the Association of Small Business Entrepreneurs, Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan’s National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry

(Observers)

OECD Tokyo Centre

International Labour Organization (ILO) for Japan

The Tokyo Organising Committee of the Olympic and Paralympic Games

## **10th multi-stakeholder consultation**

On August 31, 2018, the Government of Japan held the tenth multi-stakeholder consultation, which provided an opportunity to recap the all of the previous consultation meetings.

1. Looking back on the previous consultation meetings, the Government of Japan showed its willingness to receive opinions widely, the baseline assessment serving as a foundation for examining policies as part of the future process of developing Japan's National Action Plan (NAP) on Business and Human Rights.
2. Stakeholders shared respective opinions regarding the entire process of formulating the NAP on Business and Human Rights.
3. The following recaps some of the main discussion points from the meeting.

## **Expectations toward developing Japan's NAP on Business and Human Rights**

- Some stakeholders pointed out that the Government is urgently expected to clearly demonstrate its intention toward respect for human rights in business activities, including the identification of possible negative impacts on human rights in business activities and the establishment of an environment to deal with such impacts. Some also stressed the importance of taking into account the risks faced by workers or groups at risk of being societally left behind.
- Given a wide range of issues related to business and human rights, some stakeholders shared the view that the Government, including relevant ministries and agencies, is expected to promote the assurance of policy coherence.
- Additionally, some presented the opinion that in taking an initiative in business and human rights, it is beneficial to have a comprehensive approach including promoting a public understanding of human rights and public awareness activities.
- Emphasis was placed on the need for determining priorities for the NAP with sufficient resources, including inter-ministerial cooperation and adequate consultations with stakeholders on a wide range of issues, in the interest of ensuring transparency and the opportunity of participation in the formulation process.
- Stakeholders requested to have opportunities during the NAP formulation process where they can provide input at each stage, including during the consideration of future directions, prior to issuing the baseline study or during the creation of the future roadmap. Some also wished to be informed on how their input could be

incorporated in the future direction, and moreover, the future direction itself at the early stage.

### **Companies' initiatives toward respecting human rights**

Some stakeholders recognized companies have undertaken leading initiatives, including diversity management and those regarding human rights violations in the supply chain, and strategically addressed the improvement of working environments or social agenda, by introducing the principles of the UN Global Compact in their management. On the other hand, some stakeholders pointed out that such companies that put management of respecting human rights as the foundation of their business management remain few.

4. The attendees of the meeting were as follows:

(Stakeholders)

Global Compact Network Japan, Keidanren (Japan Business Federation), National Conference of the Association of Small Business Entrepreneurs, Japan Federation of Bar Associations, JTUC-Rengo (Japanese Trade Union Confederation), BHR-NAP Platform (Civil Society Platform for Japan's National Action Plan on Business and Human Rights)

(Relevant Cabinet Office, Ministries and Agencies)

Cabinet Office, National Police Agency, Financial Services Agency, Consumer Affairs Agency, Ministry of Internal Affairs and Communication, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Acquisition, Technology & Logistics Agency

(Academia)

Ms. Miwa YAMADA, Director of Law and Institution Studies Group, Inter-disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

(Observers)

International Organization for Migration, Tokyo (IOM Tokyo)

International Labour Organization (ILO) for Japan

United Nations Information Centre, Tokyo (UNIC, Tokyo)

The Tokyo Organising Committee of the Olympic and Paralympic Games