



Summary of the Fourth Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development) of the Agreement between the European Union and for an Economic Partnership

Via videoconference, 3 March 2023

The fourth Joint Dialogue with Civil Society under Chapter 16 (Trade and Sustainable Development (“TSD”)) of the Agreement between the European Union (“EU”) and Japan for an Economic Partnership (“the Agreement”) took place on 3 March 2023 via videoconference.

The moderator introduced the meeting recalling that economic, social and environmental sustainability is at the heart of the policy-making in the EU and Japan, and the Joint Dialogue has grown to become a lively forum both to monitor commitments and to engage in active conversations on Trade and Sustainable Development topics under the Agreement among officials and representatives from civil society.

The EU co-chair of the TSD Committee provided a summary of discussions of the fourth TSD committee meeting held on 28 February – 1 March:

- On the submission from the EU Civil society, the EU and Japan shared views and confirmed to follow-up.
- The EU presented the outcome of the review of TSD policy and the emphasis on implementation and enforcement. The EU proposed to exchange further on how to bring relevant elements to the implementation of the EPA TSD chapter.
- The EU gave an update of the proposal for the corporate sustainability directives (on due diligence, reporting). The EU also updated on the ongoing work on the forced labour regulation.
- On its part, Japan referred to the adoption of the guidelines on respecting human rights in responsible supply chains, and the efforts to increase awareness and use among business.
- The ILO office for Japan gave a presentation concerning the new strategy on decent work in supply chains, including ratification of core conventions, and

the projects implemented by the ILO office.

- In the area of trade and environment, the EU presented the communication on biobased, biodegradable and compostable plastics. As both parties are important producers, the EU pointed at opportunities for collaboration. The EU also clarified compliance requirements regarding the deforestation regulation.
- Japan made reference to the 19th Japan-EU High Level Dialogue on Environment held in January 2023, in particular in relation to biodiversity and plastic pollution. Japan explained its circular economy roadmap contributing to carbon neutrality in 2050.
- Both sides updated regarding the respective climate policy developments. Japan referred to UNFCCC COP as the main framework for cooperation, in particular in relation to the implementation partnership initiative, stressing the importance of cooperation among local authorities. Japan also illustrated its basic policy for the realization of the GX (Green Transformation).
- The EU presented the developments related to the Fit for 55 Package, notably the EU ban on the sale of new gas-powered cars from 2035 and the political agreement on CBAM. As regards the EU-Japan Green alliance, both sides made reference to the operational work plan. The EU referred to the on-going work on renewable and low carbon hydrogen, inviting Japan to deepen the dialogue.
- As regards labour matters, the EU updated on the recent ratification of ILO conventions (C177 and C190) by Member States. Japan provided an update on ratification of C105 and policy updates related to gender pay gap and workers with disabilities.
- As regards occupational health and safety, the EU referred to the forward-looking EU strategic framework on health and safety at work, while Japan confirmed that accidents of elderly workers and mental health issues are real concerns in the workplace.

The Japanese co-chair added that proper implementation and operation of the TSD chapter contributes to strengthening the Japan-EU relationship, and wide-ranging and multi-layered cooperation were confirmed at the last TSD committee meeting. The importance of various perspectives and analyses from civil society was also emphasised in order to ensure smooth and effective implementation of the TSD chapter.

STATEMENTS BY THE PARTICIPANTS OF THE CIVIL SOCIETIES

The Japanese civil society representative recalled the importance of dialogue among like-minded countries in the current global situation on environmental, human rights, and governance aspects of the TSD chapter, pointed out that the implementation of the TSD chapter is still at its early stage, made reference to the desirability of more contributions of the CSOs to the process and reaffirmed the importance of this dialogue to promote the implementation of TSD provisions.

The EU civil society representative hoped that meetings of and between the Domestic Advisory Groups could be held ahead of the official committee meetings to formulate opinions, and called on the Parties to facilitate the interactions. Preparedness for mandatory human rights and environmental due diligence could be a topic of mutual interest.

CROSS-CUTTING ASPECTS OF TRADE AND SUSTAINABLE DEVELOPMENT

Topic: Due diligence requirements from the perspective of social partners

The EU civil society illustrated the challenges of effectively tackling human rights violations and environmental damage in global supply chains, in particular in high-risk sectors (textile, agriculture among others), and emphasised the limits of voluntary approaches and of sustainability labels. To increase legal certainty across the supply chain, the workers group called for legally binding instruments both at multilateral and at domestic level.

The Japanese civil society recalled how the “Charter of Corporate Behaviour and its Implementation Guidance” provided the reference for voluntary corporate initiatives on business and human rights and for carrying out due diligence on the supply chain, including on indirect business relations. The Government of Japan contributed to the process by issuing “Guidelines on Respecting Human Rights in Responsible Supply Chains”, which are expected to increase the awareness among Japanese business.

As regards the due diligence legislation being developed in the EU, the Japanese civil society considered that civil liability for harm caused by indirect business relationship should apply only in very limited cases.

As regards forced labour, the Japanese civil society invoked a more direct role of governments based on approaches such as entry bans and asset freezes, arguing that these are more effective in tackling internationally recognized instances of human rights violations.

Topic: Industry perspectives to deliver inclusive economic growth and promote sustainable business behaviour

The Japanese civil society representatives stressed the need for implementable approaches to due diligence, and called on governments to enable engagement and shared responsibility, as well as to ensure harmonisation of requirements and enforcements in alignment with international standards. In this context, the Japanese civil society proposed a “shared responsibility project” which aims to facilitate the dialogue between stakeholders to achieve collaboration and empowerment in supply chains.

In the ensuing debate, civil society organisations emphasised the need for legal certainty (e.g. actual scope of ‘business relationship’), and recalled that if compliance puts an excessive burden on companies, the risk of disengagement is real. Capacity building and guidance from government are considered useful tools. The need for dialogue among stakeholders in the formulation of laws and regulations was repeatedly stressed.

TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION

*Topic: How will the level playing field be ensured between EU and Japan?
~launch of Japanese new voluntary carbon pricing scheme GX League~*

The Japanese civil society referred to the “GX League,” carbon pricing scheme newly introduced by the Japanese government. The business participation to the scheme is voluntary and is based on a comply-or-explain approach. The fuel surcharge is expected to enter in force from 2028. The Japanese civil society questioned whether the timing of the initiative, as well as the currently low levels of carbon price are compatible with the decarbonisation goal set out by Japan, and with maintaining a level playing field among Japanese and European industries, in particular taking into account the imminent entry into force of the Carbon Border Adjustment Measure.

Topic: The transition towards a carbon neutral economy: industry prospects for delivering inclusive economic growth

Recalling the climate and circular economy targets set out in the Fit-for-55 package and in the Circular Economy strategy, the EU civil society stressed the challenges to achieve ambitious goals while maintaining competitiveness and innovation. According to the civil society, the resilience of value chains must be based on the reduction of strategic dependencies, as well as on stronger access to

inputs. International cooperation must underpin efforts, both in terms of access to markets and of development of standards, while citizens are called upon to adopt responsible consumption patterns and assume responsibility for the transition.

In the ensuing debate, participants emphasized the importance of social dialogue among government, employers and workers to better prepare for the Just Transition, and called on the EU and Japan to seize the opportunities to cooperate in that direction also in the context of the Green Alliance.

TRADE AND LABOUR

Topic: Trade and Decent Work agenda, with a focus on ILO C111 - Discrimination (Employment and Occupation) and C155 - Occupational Safety and Health and C187 - Promotional Framework for Occupational Safety and Health

The Japanese civil society recalled the successful completion of the process of ratification for the ILO Convention on Abolition of Forced Labour (C105), and expressed gratitude to the EU for its constructive engagement.

Regarding the Discrimination (Employment and Occupation) Convention (C111), the Japanese civil society suggested sharing of experiences of ratification by European countries as a way to contribute to address the remaining issues on the side of Japan.

As regards the ILO Occupational Safety and Health (OSH) Convention (C155), the Japanese civil society called for making ratification a priority of the G7, and called on the EU and Japan to share information to advance swiftly.

As for the ILO Promotional Framework for OSH Convention (C187), the Japanese civil society offered to assist EU countries, building on the successful ratification experience of Japan.

The Japanese civil society also called for progress towards ratification of the ILO Violence and Harassment Convention (C190), and for raising awareness about the topic of violence and harassment at workplace arguing that, in spite of existing domestic measures, the situation remains unsatisfactory.

The EU civil society referred to the EU measures to promote decent work's four pillars, and hoped that the EU would support the negotiations for a legally binding instrument on business and human rights, as well as the work on an ILO convention

on decent work in supply chains. The EU civil society also made reference to the ILO activities in Bangladesh, Cambodia and Vietnam in the context of the Responsible Value Chains in Asia project, which promotes collaboration among stakeholders in the supply chain.

The EU civil society recalled the commitments undertaken by the Parties under the EPA.

In the ensuing debate, participants confirmed the importance of the ratification of conventions, and their openness to exchange information on on-going work in the respective jurisdictions.

SUMMARY AND CONCLUSIONS

The concluding remarks by the moderator stressed the topic of due diligence and the importance of the collaboration among stakeholders, and on the need inclusive design of rules. Similarly, social dialogue was considered key to promote the just transition.

The co-chairs confirmed the usefulness of the exchanges with civil society as inputs to policy makers on both sides, as well to promote the implementation of TSD provisions.

JAPAN-EU ECONOMIC PARTNERSHIP AGREEMENT (EPA)

TRADE AND SUSTAINABLE DEVELOPMENT 4TH JOINT DIALOGUE WITH CIVIL SOCIETY

3RD MARCH 2023

VENUE: VIRTUAL MEETING

AGENDA

- 1. OPENING REMARKS BY THE MODERATOR**
- 2. STATEMENT BY THE GOVERNMENT OF JAPAN AND THE EUROPEAN COMMISSION**
- 3. STATEMENT BY THE PARTICIPANTS OF THE CIVIL SOCIETIES**
- 4. EXCHANGE OF VIEWS ON TRADE AND SUSTAINABLE DEVELOPMENT:**

➤ **CROSS-CUTTING ASPECTS OF TRADE AND SUSTAINABLE DEVELOPMENT**

Topics for discussion:

- Due diligence requirements from the perspective of social partners
- Industry perspectives to deliver inclusive economic growth and promote sustainable business behavior

➤ **TRADE AND ENVIRONMENT, INCLUDING TRADE AND CLIMATE ACTION**

Topics for discussion:

- How will the level playing field be ensured between EU and Japan?~launch of Japanese new voluntary carbon pricing scheme GX League~
- The transition towards a carbon neutral economy: industry prospects for delivering inclusive economic growth

➤ **TRADE AND LABOUR**

Topics for discussion:

- Trade and Decent Work agenda, with a focus on ILO C111 - Discrimination (Employment and Occupation) and C155 - Occupational Safety and Health and C187 - Promotional Framework for Occupational Safety and Health

5. SUMMARY AND CONCLUSIONS

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LIST OF PARTICIPATING CIVIL SOCIETY ORGANISATIONS

EUROPEAN UNION

European Economic and Social Committee (EESC) (EU DAG)

Austrian Federal Chamber of Labour

DGB

European Services Forum

COTANCE

European Transport Workers' Federation (ETF)

Eurogroup for Animals

JAPAN

Member of Central Environment Council (DAG), WWF Japan

Member of Labour Policy Council (DAG)

Japan Business Federation (KEIDANREN)

Japan Business Council in Europe (JBCE)

Japan Center for a Sustainable Environment and Society (JACSES)

Kiko Network

Japanese Trade Union Confederation (JTUC-RENGO)