

A Compilation of Case Studies on Business and Human Rights

**Towards the expansion and establishment of
efforts based on the UN Guiding Principles
on Business and Human Rights**

September 2021

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The images in this compilation of case studies have been provided by each business enterprise.

Introduction

Respect for human rights in business activities is currently the focus of increasing attention, and discussions are moving forward in various forums. The achievement of the Sustainable Development Goals (SDGs) is considered inextricably linked with the protection and promotion of human rights. In this context, respect for human rights is highly important for businesses in implementing the SDGs. Investors are also increasingly demanding that businesses respect for human rights; the business and human rights approach is an important part of ESG investment. Moreover, the revised version of Japan's Corporate Governance Code of June 2021 specifies that respect for human rights is an issue for a company's board of directors to consider and that listed companies should appropriately disclose their sustainability initiatives.

Against this background, in October 2020, the Government of Japan launched a "National Action Plan (NAP) on Business and Human Rights" to promote respect for human rights in business activities. Japan's NAP sets out expectations for business enterprises to introduce a process of human rights due diligence, in line with the "UN Guiding Principles on Business and Human Rights" (UNGPs).

It is our understanding that today many business enterprises are launching various initiatives to ensure respect for human rights in business activities. However, as shown by the results of a Questionnaire Survey on the Implementation of Keidanren's Charter of Corporate Behavior in 2020, it appears that businesses in Japan have not yet widely recognized the UNGPs and human rights due diligence.

For this reason, in this case study, in cooperation with the SDGs Promotion Bureau of Keidanren and the National Conference of the Association of Small Business Entrepreneurs, companies recommended by these entities were interviewed about business and human rights initiatives. The results of the interviews were then summarized in terms of the three pillars of the UNGPs, namely:

- ① **formulation of human rights policy;**
- ② **implementation of human rights due diligence; and**
- ③ **establishment of grievance mechanisms**

Organized in a way consistent with the above pillars, this compilation introduces corporate efforts.

We hope that this compilation of case studies will help to boost the introduction of human rights due diligence in Japan by providing a more concrete picture of human rights due diligence, mainly for business enterprises promoting initiatives for business and human rights.

Furthermore, it is important for businesses to take into account the size and operations of their business, when conducting human rights due diligence, while referring to the initiatives provided in this compilation as examples only.

This compilation of case studies consists of interviews conducted by Mitsubishi UFJ Research & Consulting Co., Ltd., the contractor for the project for launching and implementing the NAP in 2020 for the Ministry of Foreign Affairs, in cooperation with the SDGs Promotion Bureau of Keidanren and the National Conference of the Association of Small Business Entrepreneurs with their recommendations for interview.

This compilation intends to offer a more clear-cut impression of corporate efforts based on the UNGPs. It does not set out to provide an evaluation of the corporate efforts listed in this document.

In addition, the Government or the Ministry of Foreign Affairs do not accept responsibility for any of the activities of the interviewed companies or the consequences of any actions implemented by users as a result of information provided in this document.

Formulation of Human Rights Policy

Business enterprises are required to express their commitment to meeting their responsibility to respect human rights as part of their corporate policy. According to the UNGPs, the requirements for having in place a human rights policy are as follows. Such a policy should:

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

Some of the companies interviewed for this report indicated that they formulated and issued their human rights policies based on a review of international guidelines and initiatives and the understanding of their own situations. Other companies issued human rights policies based on consultations with relevant internal departments and dialogue with external experts and stakeholders. Some examples of these processes are summarized below.

1. Approval by the most senior level of the enterprise

(Example 1) Dissemination of commitments from the most senior level of the business enterprise
<ul style="list-style-type: none">● Video messages from top management are created and sent to all group companies with subtitles in all languages in the regions and countries where the group companies operate.● The group policy on respect for human rights is issued as an expression of the top management’s commitment.● A signed message from the company president is sent out each year.

(Example 2) Approval of human rights policy by top management and board of directors
<ul style="list-style-type: none">● The top management’s push and approval for issuing a human rights policy is a driving force for advancing human rights efforts.● Human rights policies are approved at board meetings.

(Example 3) Promotion of understanding among management and relevant departments
<ul style="list-style-type: none">● Estimating the amount of future opportunity loss due to not implementing human rights initiatives can help identify the impact on business. By doing so, it can promote understanding of the importance of the business and human rights agenda among management and relevant departments.

2. Obtaining expert advice from within and outside business enterprises

(Example 1) Consideration of the UNGPs and relevant international documents when issuing human rights policies

- Human rights policies are issued by taking into account international guidelines and initiatives such as the UNGPs, the International Bill of Human Rights, the ILO Declaration, and the OECD Guidelines for Multinational Enterprises.
- Companies communicate in their own words and expressions in accordance with their philosophy and culture instead of applying the wording of international norms as they are.

(Example 2) Formulation and revision of human rights policy based on consultations with relevant departments within business enterprises, views of external experts, and initiatives taken by other enterprises

- A human rights policy is established through cross-enterprise systems while each department is deepening its understanding on human rights issues.
- A human rights policy is issued and revised through advice from external experts and dialogue with stakeholders.
- A human rights policy is issued with reference to examples of other enterprises in Japan as well as initiatives and disclosed information of European and American financial institutions.

3. Clarifying expectations for employees, business partners, and other relevant parties directly involved in products and services and others

(Example) Expressing expectations for employees, business partners, and others in a human rights policy

- A human rights policy incorporates not only the human rights of employees, but also measures to respect human rights in the supply chain.
- Guidelines for business partners, call for, among other things, the prohibition of child labor and forced labor, and they request second-tier suppliers to take measures to promote understanding of the guidelines.

4. Being open to the general public and well-known to all employees, business partners, investors, and other interested parties

(Example) Internal and external dissemination through public announcements on the homepage and through training

- Human rights training (including new employees and management training and e-learning for all employees) is conducted, and human-rights awareness handbooks and human rights policy manuals are created and distributed.
- Companies invite external lecturers to conduct training sessions on human rights for management and others.
- Training and briefing sessions are implemented for overseas joint venture partners and suppliers.

5. Being reflected in business enterprises' overall business policies and procedures

(Example 1) Reflection in corporate management strategies, corporate activity policies, and others

- Human rights are viewed as an important issue for companies.
- Human rights commitments are incorporated into the existing codes of conduct that are already known to employees of the Group companies, and are promoted throughout the entire Group.
- The need for human rights considerations and respect for human rights is embedded in procurement policies, documents indicating procurement standards to business partners, and agreements.

(Example 2) Building an internal system

- A system to discuss policies in promoting business and human rights is created within the company.
- To reduce risks in areas where human rights risks may exist, policies and management systems (internal systems, processes, and mechanisms) are set up.
- Regular reports are made available to management on initiatives related to sustainability issues, including human rights.
- Human rights training (including training for new employees and managers, and e-learning for all employees) is implemented. (also mentioned in the other section)

Implementation of human rights due diligence

In order to identify, prevent, mitigate, and to account for how a business enterprise addresses its impacts on human rights, business enterprises are required to (1) assess actual and potential human rights impacts; (2) integrate and act upon the findings; (3) track responses, and (4) communicate how impacts are addressed. This process is called human rights due diligence. In connection with these four points, the interviewed companies:

(1) conduct human rights risk assessments using third parties and external experts, international standards, and information provided by international NGOs and others, and identify areas, countries, regions, and key issues, and the like where human rights risks are likely to manifest; furthermore, identify further issues by implementing audits and the like with a focus on these areas and issues;

(2) implement measures or request improvements from their business partners when problems arise;

(3) implement regular monitoring; and

(4) release information on these initiatives on their websites and by issuing various reports.

The following is a summary of these examples.

1. Identification of adverse human rights impacts

Identifying and assessing the nature of any actual or potential adverse human rights impact that business enterprises may be involved in (their own company and supply chains)

(Example 1) Identification of high-risk areas, regions, and key issues through the participation of third parties and external experts

- Human rights risk assessment (human rights risk identification) is conducted with relevant departments and external experts to identify high-risk business areas.
- Independent consultants and experts identify human rights risks, while carrying out on-site investigations as required.
- Risk mapping is implemented with the participation of a third party to identify high-risk areas.
- Important issues are identified based on case studies of leading companies, and views from NGOs and consulting firms.
- Considering that it is difficult to identify human rights issues without understanding the concept of business and human rights, interviews are conducted together with external experts to conduct risk assessment and risk identification for the entire group.
- Companies request group companies to analyze human rights issues in all businesses. A score is assigned based on both severity (degree of impact on human rights) and the connection between the risk and the company. Through this, key issues in terms of human rights risks are identified.
- Risk assessment is conducted by using data from overseas consultancy companies to clarify high-risk issues, countries and regions.

(Example 2) Identification of human rights issues based on international standards, information related to human rights, and other information

- A list of human rights issues is created based on international standards such as the Universal Declaration of Human Rights, the ILO International Labour Standards, and the OECD Guidelines for Multinational Enterprises, and risks are mapped taking into account business models and contact points with stakeholders.
- Risks are identified, based on the legislation and regulations of the country where the enterprise operates and the standards of international organizations such as the World Bank

Group.

- The enterprise identifies “human rights risks for foreign workers, including technical intern trainees” as prominent human rights issues based on various media reports.
- Risk analysis is conducted by utilizing the company’s own knowledge as well as the data on human rights extracted from the database of an international NGO.
- Risk assessment for suppliers is conducted based on the information platform provided by an International NPO.

(Example 3) Focused audits on identified high-risk areas

- An assessment is conducted for local businesses in countries and regions identified as high-risk areas. A headquarters’ representative visits the sites.
- Surveys on actual local initiatives and local circumstances are conducted, including interviews with employees with the experience of being stationed in areas deemed to have human rights risks.
- Suppliers identified as high risks are subject to further on-site audits as a result of risk-based assessments.
- Projects identified as high risks based on companies’ unique criteria are subject to procedures for more in-depth due diligence.
- CSR audits are conducted for business partners, and if the results of the audits are less than or equal to a certain threshold, re-audits are carried out.

2. Prevention and mitigation of adverse human rights impacts

Incorporating results of impact assessments into all relevant departments and company-wide processes, and taking appropriate measures to prevent and mitigate adverse impacts

(Example 1) Incorporation into relevant departments and company-wide processes

- The “Group Sustainable Management Promotion Council” chaired by the Group CSuO (Chief Sustainability Officer) and with executive directors of the group companies as members, is held to confirm the progress and identify issues of each group company.
- A group promotion system is established to promote the understanding of business and human rights among operating companies that undertake corrective measures.
- CSR audits are conducted for business partners to make obtaining certification a condition for doing business. The audit results are evaluated in five levels, and the interval of the renewal audit differs according to the rank.
- An annual supplier survey is conducted and internal education is provided based on the analysis of survey results.

(Example 2) Implementation of improvement initiatives and requests for improvement from suppliers

- Staff members at headquarters and local businesses and companies develop an action plan in the countries and regions identified as high-risk as a result of risk assessment.
- For supplier companies with low ratings as a result of CSR procurement questionnaires, companies request submission of improvement plans.
- PDCA is implemented by taking corrective measures for identified risks when they occur.
- The company sets up a “CSR Action Guidelines for Supply Chains” for suppliers. Where gross negligence of Guidelines is reported, the company requests suppliers to take remedial action to address the issue and, if necessary, conduct on-site investigation.

- A fact-finding survey is conducted for suppliers, where the actual situations are verified in cooperation with a supervising organization. If there are any problems found, corrective actions are requested.
- Companies prohibit involvement in projects that may be linked with child labor or forced labor in their investment and financing.
- Companies include in their quotation requirement form for suppliers requests relating to foreign technical trainees, such as employment conditions and payment of the amount stated in employment contracts.
- In the group's hotel business, a Fair Trade Certification for wine and coffee, a trade mechanism that aims to improve the lives and independence of food producers and workers in developing countries, has been introduced in order to provide products certified that have not been harvested through child labor.

3. Response effectiveness tracking

Verifying whether adverse human rights impacts are being addressed

(Example) Regular and ongoing follow-up surveys

- One company checks the situation one year after suppliers submit their improvement plans.
- An improvement plan is created after receiving confirmation from external experts as to the adequacy or inadequacy of the response. The company will then continuously monitor the situation.
- Where gross negligence of the Guidelines is reported, suppliers are asked to address the issue. (also mentioned in the other section)
- If the results of CSR audits of suppliers reveal any non-conformity with audit items, business partners are requested to submit improvement plans and make efforts to improve the matters pointed out in the audit. (also mentioned in the other section)
- On-site audits at overseas and domestic factories are conducted by third parties.

4. Dissemination of information on how businesses deal with risks

Disclosing how businesses deal with risks where there is a risk that businesses may have a serious impact on human rights

(Example) Publications on the website or in various reports

- An impact assessment of human rights due diligence is released as a report.
- Commitments and efforts to respect human rights are disseminated through publications of human rights policies and human rights reports, which include information on the status of in-house training and grievance mechanisms, and details of stakeholder engagement.
- The company formulates the action plan to identify, prevent or mitigate human rights impacts in relation to business, including details of human rights due diligence, and make public the status of these efforts.
- Companies publicly disclose efforts related to slave labor and human trafficking based on the UK Modern Slavery Act and so on.

Establishment of grievance mechanisms

Business enterprises are required to provide or cooperate with remedies through due processes if they cause or contribute to an adverse human rights impact. In the UNGPs, grievance mechanisms to be set up by business enterprises should be (1) legitimate; (2) accessible; (3) predictable;¹ (4) equitable; (5) transparent; (6) rights-compatible;² (7) a source of continuous learning;³ and (8) based on engagement and dialogue. In this interview, many companies particularly mentioned efforts to ensure the above-mentioned (2) accessibility, including the establishment of hotlines for internal and external consultation and reporting, multilingual contact points, and hotlines for suppliers. In addition, there are also initiatives in place that appear to be related to (1) legitimacy, such as instances where the CSR-related departments, rather than the human resources department, deal with grievance issues to ensure that no decisions are made for personnel-related reasons. The following is a summary of those examples. It is also noted that companies foresee future challenges involving the development of grievance mechanisms for their suppliers or their suppliers' employees.

(Example 1) Setup of internal hotline (compliance reporting and consultation)

- A “group helpline” has been set up for group employees, temporary employees, and part-time employees.
- Human rights-related topics are accepted as part of an internal reporting system.
- The internal reporting contact is not dealt with by human resources departments, but by CSR-related departments, with a view to ensuring that there are no personnel-related decisions made.

(Example 2) Setup of external hotline and hotline for business partners

- By releasing the Compliance Hotline on its website, the company accepts not only reports from employees and business partners, but also from consumers. The company has also set up a reporting and consultation form on its website, in an effort to elicit opinions from outside the company.
- The company collects a wide range of external opinions, by using various means, such as setting up a communication center, posting where to make inquiries about products, and actively collecting information on social media.
- The website of the supplier organisation (e.g. Parts Suppliers' Association) has a link to a point of contact for human rights complaints.

¹ A clear and known procedure should be provided for all stakeholder groups for whose use they are intended.

² It should be ensured that outcomes and remedies accord with internationally recognized human rights.

³ It is possible to draw on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harm.

(Example 3) Setup of contact for grievance operated by a third party

- In developing a grievance mechanism for its supply chains, the company introduces a common platform where a third party, such as an NGO, can act as a primary contact point to receive complaints in order to set up an accessible system for workers that can provide them with consultation on everyday issues they face in their lives.

(Example 4) Multilingual support desk

- Internal consultation contacts available in multiple languages are set up in all countries where companies operate (e.g., available in 19 languages in 24 countries).
- Contact points for external users are set up on the website of the company concerned in both Japanese and English.
- A single point of contact for the entire Group is set up to provide consultation in multiple languages, and is made available 24 hours a day via Internet and telephone.

Dialogue and collaboration with stakeholders and experts

To encourage efforts to promote respect for human rights in business activities, the interviewed companies have established opportunities for regular information exchange and dialogue with stakeholders and experts through issuing human rights policies, implementing due diligence, and establishing grievance mechanisms. The UNGPs call for the dissemination of information and consultation with external partners in issuing human rights policies, conducting human rights due diligence and establishing grievance mechanisms. These opportunities for regular exchange of information and dialogue with stakeholders align with the direction set out in the UNGPs.

(Example) Dialogue and collaboration with external parties

- Stakeholders are engaged in dialogues with companies at the stage of formulating human rights policy, and their views are reflected in the policy.
- A risk map involving relevant departments and external experts is created to identify human rights risks.
- When investigating human rights risks faced by foreign workers, including technical intern trainees, interviews are conducted with the technical intern trainees in their native languages, and with their employers.
- Emphasis is placed on cooperation with external stakeholders (NGOs and other organizations) to share the latest human rights developments, and to seek advice, including consultations on difficult judgements to make, or confirmation of the content of the relevant survey, when conducting actual human rights due diligence. Human rights NGOs are invited to hold study sessions.
- The company sets up a “Human Rights Due Diligence Study Group” for the construction and real estate sectors, and it promotes efforts to respond to industry-common human rights issues, such as “foreign technical intern trainees on the construction site.” Awareness of the issues is deepened through activities such as sharing interviews with technical intern trainees by each company participating in study groups.
- Participation involving a variety of stakeholders in a platform on accepting foreign workers contributes to cross-corporate discussions in order to build multi-stakeholder grievance mechanisms.

Examples of efforts made by small and medium-sized enterprises

The UNGPs require all businesses, regardless of their size and sector, to respect human rights. Here are some examples of small and medium-sized enterprises implementing human rights initiatives.

Key points from the interviewed companies

(Example) Decisive decision-making by management
<ul style="list-style-type: none">● Small and medium-sized enterprises have the flexibility to change their environment with a single decision by management due to being a small business; they are also committed to developing human resources in the future. They not only promote diversity within the company where a diverse set of employees such as women, seniors, foreign nationals, and LGBT people work, but also provide a place to convey diverse ways of working to the next generation.● The company has identified “client, staff, and the community” as the three parties to which it contributes. Moreover, in considering the well-being of its employees, the company believes in particular that it should address the issues that employees face in their lifetimes. The company has a flexible system for accepting foreign employees, such as allowing them to return home and work remotely for a few months at a time if their parents become ill.

(Example) Systemization of internal communication
<ul style="list-style-type: none">● Communication in the company has become more active than it used to be owing to increasing the number of opportunities for conversations such as the CEO’s group study sessions, meetings and evaluation feedback meetings and making them standard. In this way, the company has made efforts to create an environment where employees can express their real intention.● By making use of the CEO’s group study session and other opportunities, the CEO has continued conveying to employees that every single employee in his company is a colleague who works as part of a team, which has made it easier for employees to express their opinions and led to them taking greater initiative. This approach has also led to more new graduates and mid-career candidates applying for jobs because of the company’s atmosphere.

Compilation of corporate case studies

Ajinomoto Co., Inc.	
Company Name	Ajinomoto Co., Inc.
Headquarters	Chuo-ku, Tokyo
Established	1925
Capital	¥79.8 billion
Number of employees	Alone: 3,184; consolidated 33,461 (as of end-March 2021)
Business Overview	Food industry
Main domestic branches	Headquarters, branches, branch offices, sales offices, business offices, and plants: 19 offices
Main overseas locations	Europe, Africa, Asia, and North and Central America
Related URL	https://www.ajinomoto.com/sustainability/
Overview of main initiatives	
<ul style="list-style-type: none"> ➤ In response to the adoption of the UNGPs in 2011, the company started efforts by doing research on the trends of global companies in 2012. It launched a policy on human rights in the Code of Business Conduct in 2014, and published a group policy on respecting human rights in 2018. ➤ As a result of the overall business assessment, the company conducted human rights impact assessments in countries that were identified as high-risk, which was disclosed in a “human rights due diligence country impact assessment report.” Initially, local partners were alarmed by this assessment, but disclosure of appropriate measures they had been implementing resulted in gaining their trust. ➤ The company believes that a grievance system for all group companies with use of NGOs as the primary contact point is necessary. It therefore introduced a “workers’ voices” system provided by NGOs within all its group companies and was involved in establishing a platform whose participants comprise a variety of stakeholders involved in accepting foreign workers take part. 	

■ Background of Initiatives on Business and Human Rights

- In response to the adoption of the UNGPs in 2011, the company conducted a desktop survey in 2012 to determine what initiatives are being undertaken by leading-edge global companies. The result of the survey showed that companies in Europe and the United States had already held discussions with Professor John Ruggie of Harvard University who formulated the UNGPs before their adoption, including setting up a meeting with company leaders. It was found that there was a specific discussion on how to implement human rights due diligence after the adoption of the NAP. The investigation also demonstrated that the scope of responsibility of business and human rights is broader than the concept recognized in Japanese society.
- After that, the media began to report on human rights violations in Southeast Asia and elsewhere. In 2015, the CGF (Consumer Goods Forum) that the company participated in adopted a resolution to eradicate forced labor in the value chain and then the priority principle in this industry was established in 2016. As a result, the company was also required to implement initiatives in line with the resolution. At the top meeting of CGF Japan in 2017, there was a reference to the issue of forced labor in Japan, and in response, the company has been promoting measures such as conducting a survey of the status of technical intern trainees in 2017.

■ Overview of initiatives

Commitment according to human rights policy

- In 2014, the company launched a policy on human rights in its code of business conduct. However, with an internal code of conduct alone, it proved difficult to conduct human rights due diligence that also went beyond the company itself. The company therefore concluded that an explicit policy in the form of a commitment by the top management was necessary. It then released its group policy on respecting human rights in 2018.
- The company implemented human rights e-learning globally in 2019. It produced two sets of instructional materials: one that presented the content of the Universal Declaration of Human Rights and the UNGPs as a package; and another designed to promote concrete understanding of how the Universal Declaration of Human Rights and UNGPs relate to the company's business, both for all employees in Japan and for managers overseas.
- Although important issues related to human rights need to be reviewed regularly, it is difficult to revise the policy each time. Therefore, the company has adopted lists of important issues separately in the "Appendix," which helps makes it easy to review.
- If it is difficult to formulate an independent policy, the company expresses its commitment by endorsing ideas originating from outside the company (such as endorsing the Tokyo Declaration 2020 on the Responsible Acceptance of Foreign Workers).

Implementation of human rights due diligence

- The company implemented a business-wide potential risk analysis in 2014. In 2018, it utilized data from overseas consultancy companies to conduct risk assessment and clarify high-risk issues and regions. In particular, it identified "obesity" as an important issue for the company to be tackled through the opportunity of dietary education, because it is recognized as a human rights challenge to be addressed by companies in Europe and the United States.
- As a result of the risk impact assessment, the company conducted human rights due diligence in countries that were identified as high-risk areas. Local industry associations and partner companies supplying chicken were initially alarmed by this assessment. However, in the end they welcomed a [report](#) released in 2019 that summarized their efforts, as they saw how the dissemination of such information helped to appeal to European and American companies.

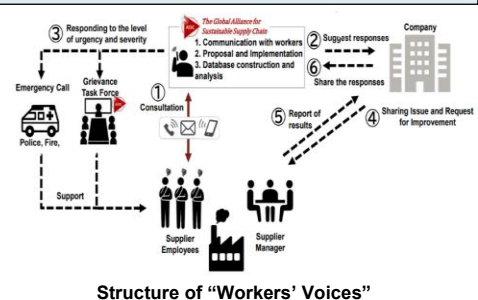


Setting up a grievance mechanism

- The company was involved in establishment of a platform in which a variety of stakeholders participate in accepting migrant workers. This platform provides useful information to migrant workers and sets out to ascertain the problems of foreign workers.
- The company introduced the NGO-provided "Workers' Voices" for foreign workers in the group in March 2021. It plans to roll this out to manufacturing contractors and suppliers in the future.

"Grievance mechanism": Set up a third-party complaint reception desk

When it comes to implementing a grievance mechanism for the supply chain, it is considered necessary to set up a system close to workers that can handle consultations on everyday life issues for workers. Furthermore, collecting information at third-party contact points, and sharing and utilizing the accumulated knowledge and information among companies enables efficient human rights due diligence for the company. For this reason, it introduced a shared platform called "Workers' Voices," whereby complaints can be received as a primary point of contact by a third party, such as an NGO. It is also involved in setting up a platform outside the company that involves a variety of stakeholders in accepting migrant workers.



ANA HOLDINGS INC.

Company Name	ANA HOLDINGS INC.
Headquarters	Minato-ku, Tokyo
Established	1952
Capital	¥467,601 million (as of end of March 2021)
Number of employees	46,580 (as of end of March 2021)
Business Overview	Air transportation industry
Main domestic branches	Tokyo Head Office, Hokkaido Branch, Tohoku Branch, Chubu Branch, Kansai Branch, Chugoku-Shikoku Branch, Kyushu Branch, Okinawa Branch (Sales-related office)
Main overseas locations	Asia, North and Central America, Europe, others
Related URL	https://www.ana.co.jp/group/en/csr/human_rights/

Overview of main initiatives

- Action in response to the UK Modern Slavery Act⁴ made the company the first to issue [a human rights report](#) in Japan, in which the details of implementation of human rights due diligence and stakeholder engagement were publicized.
- The company formulated a human rights policy, taking into consideration comments from external experts, after making the draft following confirmation of the UNGPs and interviews with other companies.
- It promoted human rights due diligence through conducting human rights impact assessment in collaboration with external experts, and identifying four key human rights themes. It takes corrective measures and makes follow-up evaluations for each theme by utilizing systems and the like.
- It introduced multilingual grievance mechanisms in cooperation with external experts.

■ Background of Initiatives on Business and Human Rights

- In 2014, the company began vigorously undertaking activities in business and human rights, triggered by criticisms of the use of certain expressions in its advertising. It was also aware of developments with legislation regarding the UK Modern Slavery Act.
- Recognizing the need for human rights initiatives in line with the Olympic Charter, the company became the official partner of the Tokyo 2020 Olympic and Paralympic Games in 2015.
- It first worked on formulating a policy in accordance with the UNGPs, which state what measures companies should take in their initiatives for human rights. In general, while Japanese companies tend to pursue perfection in disclosing information, some in Europe and the United States may think that the company is either doing nothing, or has something to feel guilty about, if it does not disclose anything. Therefore, it is important first to disclose what has been practiced, even if it is inadequate, and then develop it further in stages thereafter.

■ Overview of initiatives

Commitment according to human rights policy

- The company investigated issues to be addressed in advancing human rights efforts and proposed the formulation of a human rights policy at a meeting attended by the group's directors (currently the Group ESG Management Promotion Committee) in the autumn of 2015. While the policy was initially planned to be formulated during 2016, management suggested

⁴ A law enacted in the United Kingdom in 2015 that requires companies, and the like that conduct business activities in the United Kingdom, and whose annual turnover exceeds a certain threshold amount, to issue and publish a statement on measures related to slave labor and human trafficking, and the like throughout the supply chain.

immediate formulation, as some overseas cases of human rights issues as a corporate risk were on the table. Therefore, the schedule was moved forward, and a draft was prepared with the goal of formulating it by April 2016.

- After confirming the UNGPs and conducting interviews with other companies to prepare a draft, the company requested comments from external experts. The [company's human rights policy](#) was released in April 2016 following approval at a board meeting.

Implementation of human rights due diligence

- Initially, the company planned to distribute a human-rights checklist to ESG promotion leaders of each company and department, to identify human rights issues. However, the company judged that it could not get adequate answers, if the ESG promotion leaders lacked understanding on the concept of business and human rights mentioned in the UNGPs. Accordingly, it proceeded with risk identification through risk assessment for the entire group and interview with the responsible departments within the group with external experts.
- The company publicly discloses efforts related to preventing human trafficking based on the UK Modern Slavery Act, and the like.



Human Rights Due Diligence Process

Setting up a grievance mechanism

- In October 2020, it introduced a new grievance mechanism (Ninja), in cooperation with external experts, which is multilingual (seven languages) and expanded its coverage to the supply chain, while it already had an internal reporting system (ANA Alert) mainly for group companies. It is considering to expand its coverage in the future, and also increase the efficacy.

“Human Rights Due Diligence” Practical Points: Identifying and making efforts on key human rights themes

The company conducted a human rights impact assessment and identified the following important themes based on the assessment: “Respect the Human Rights of Migrant Workers in Japan”; “Strengthen Supply Chain Management of In-Flight Meals”; “Prevent the Use of Airplanes in Human Trafficking”; and “Eradicate Corruption.”

After listing the relevant business, the country of service, and the region, and the like, and proceeding with risk identification based on the knowledge of external experts, labor and safety and the like were initially indicated as major issues. However, these risks, including security, had already been appropriately addressed by expert departments that run the PDCA cycle, so they were excluded from the above important themes. Issues such as human trafficking were identified as important themes since they had not been adequately recognized as risks.

With regard to the first theme, the company introduced a system to collect information on workers, and regarding the second theme use a “Bluenumber” system to issue IDs to people, organizations, places, and things to ensure transparency, and take appropriate corrective measures according to the identified issues.



Four Important Human Rights Themes



Bluenumber管理サイトの画面

“Bluenumber” for Supply Chain Management

Kao Corporation

Company Name	Kao Corporation
Headquarters	Chuo-ku, Tokyo
Established	1940
Capital	¥85.4 billion
Number of employees	33,409 (Consolidated) (as of end of December, 2020)
Business Overview	Hygiene & living care business, health & beauty care business, life care business, cosmetics business, chemical business
Main domestic branches	Expand workplaces, factories, research centers, and training centers nationwide
Main overseas locations	Asia/Oceania, North/Central/South America, Europe/Africa
Related URL	https://www.kao.com/global/en/sustainability/topics-you-care-about/humanrights/

Overview of main initiatives

- On the premise that the company has to date conducted business with an emphasis on respect for human rights for stakeholders, it has taken the opportunity presented by international trends such as the formulation of the UNGPs to strengthen its efforts for business and human rights, which began with the formulation of human rights policies.
- Since the human rights policy is merely a documented philosophy and DNA that the company has cherished up to now, the company is able to proceed with the formulation of the policy by taking the approach of reaffirming the importance of respect for human rights rather than explaining it to management from scratch.
- In addition to conducting a risk assessment for primary suppliers by using the information-sharing platform provided by an International NPO, the company is conducting support activities, including productivity improvement, for small farms in palm oil supply chains that are considered to have high human rights risks.
- The company also receives reports from general consumers by releasing the Compliance Hotline on its website. However, as there are still a small number of consultations from outside the company, it is believed that an issue is to activate the contact.
- Rather than aiming for a full score from the outset, the company believes it is important first to start with what it can do with its resources and disclose details of its efforts in the area of business and human rights.

■ Background of Initiatives on Business and Human Rights

- From the time of the company's founding, it has attached importance to "enrichment for the life of all people." The awareness of valuing "people" in business activities is deeply rooted in the culture or DNA of the company. In addition, as a manufacturing company, there is also a strong sense of the need to provide products that meet customer expectations.
- In this context, the UNGPs formulated in 2011 provided an opportunity for the company to reiterate its human rights policies. As a company that operates globally, the company understood that it is expected to make clear its thinking on respecting human rights, and so it formulated and released the "[Kao Human Rights Policy](#)."

■ Overview of initiatives

Commitment according to human rights policy

- In order to clarify the matters required by the human rights policy, the company started by confirming the International Bill of Human Rights, the ILO Declaration, and the UNGPs.
- Management understands the importance of human rights and therefore the human rights policy is merely a documented idea that the company has already cherished until now.
- The company created the opportunity to explain its policy to suppliers at vendor summits (held annually at home and abroad as a venue for exchanging information and expressing opinions with suppliers), and has made them aware of its policy.

Results of 2019 supplier risk assessments based on Sedex

Overall evaluation	SAQ response rate ^{*1}	Sedex risk assessment ^{*2}	Kao evaluation	Percentage
S	80% or more	Low	Excellent	25%
A	80% or more	Low	Good	40%
B	80% or more	Medium or High	Needs improvement	15%
C ^{*3}	Less than 80%	-	Needs response	10%
-- ^{*4}	-	-	-	10%

^{*1} Response rate to Sedex self-assessment questionnaire for suppliers.

^{*2} Evaluation using the Sedex assessment tool that uses three levels (low, medium, high) of potential risk manifestation.

^{*3} SAQ without responses are evaluated as high risk, so all cases of a SAQ response rate of less than 80% uniformly receive a C evaluation.

^{*4} Not evaluated due to inaccessible response results.

Results of Supplier Risk Assessment

Implementation of human rights due diligence

- A risk map involving relevant departments and external experts was created to identify human rights risks. As a result of the risk assessment, it was concluded that the focus should be on employees and suppliers.
- The company conducts risk assessments of its suppliers according to the information-sharing platform provided by an International NPO, and requests improvement if the overall evaluation is less than grade A. If necessary, it creates its own questionnaires and evaluates them.
- As for palm oil, supply chains that include small farms are complex, but efforts are being made to establish traceability. The company plans to launch efforts to improve the productivity of small-scale farms.

Setting up a grievance mechanism

- A [Compliance Hotline](#) has been established both internally and externally, and reports and consultations are received from suppliers and consumers in multiple languages. Due to the limitations to the investigation of suppliers and cooperating companies, the company feels that one issue to be addressed is that it does not know the final degree of satisfaction of the people who are being consulted.

“Grievance mechanism” Practical Points: Taking external views into consideration

By releasing the Compliance Hotline on its website, the company accepts not only reports from its employees and business partners, but also from general consumers. Efforts have been made to obtain opinions from outside the company, by means such as providing a form on its website for reporting and consulting, but there are few consultations from outside the company. Therefore, the company believes that to activate the contact mechanism on its website is an issue to be addressed.

Furthermore, the company widely collects opinions from outside the company using various means, such as setting up a communication center (Kao consumer support desk), posting where to make inquiries about products, and actively collecting information on social media. The opinions gathered in this way actively help to improve business activities. For example, they are referred to when reviewing expressions used in the company's advertising.

Kao Compliance Hotline -Report/Consultation Form-

<input type="checkbox"/> Please select if that apply.	
1 Date of report/consultation	Year [] Month [] Day []
2 Full name of the person completing the form	<input type="checkbox"/> Name []
	<input type="checkbox"/> Please place a checkmark if you wish to remain anonymous. <small>If you wish to remain anonymous, please be aware that there is a limit to the investigation that can be conducted and responses which can be given. If you are unable to select reports or consult and cannot confirm the fact.</small>
3 Your Relationship with the Kao Group	<input type="checkbox"/> Employee of Kao Group Company Name of the company []
	<input type="checkbox"/> Business partner Address []
	<input type="checkbox"/> Family member of an employee working for a Kao Group company Other []
*When? Since when? (Time is occurred/period)	
*Where? (Location)	
Details of the incident:	
<small>Please fill in as much detail as possible about the incident (Who/What/When/Where, what happened, who, how and what happened).</small>	
*Who? To whom? (Name of the person/ employee number/ organization/ company, if possible)	
*What happened?	

Consultation Form Available on
Company's Website

Kirin Holdings Company, Limited

Company Name	Kirin Holdings Company, Limited
Headquarters	Nakano-ku, Tokyo
Established	1907
Capital	¥102 billion
Number of employees	31,151 (as of end of December, 2020)* Number of employees consolidated
Business Overview	Domestic liquor and beverage business, overseas liquor business, pharmaceutical business, and others including health sciences
Main domestic branches	Sales bases, factories, research centers, and the like
Main overseas locations	Southeast Asia, East Asia, Oceania, North America, Europe
Related URL	https://www.kirinholdings.com/en/impact/human_rights/

Overview of main initiatives

- The company has viewed and communicated its human rights policy as a top policy of all documents and norms related to efforts to respect human rights, and also disclosed its formulation process. It held dialogues with stakeholders and, as far as possible, reflected their opinions when formulating its human rights policy.
- The company identifies human rights risks from the stage of formulating its human rights policy. In countries and regions that have been rated as high-risk, the company conducts site visits and prepares an action plan for local businesses and companies. The action plan is mainly promoted by local companies; progress control and monitoring are implemented at headquarters.
- The company incorporates a human rights perspective into new business checklists and supplier guidelines.

■ Background of Initiatives on Business and Human Rights

- While the company had previously been working on human rights efforts based on the “Kirin Group Compliance Guidelines,” it collected initial information on international human rights concepts and trends around 2016-2017, and began formulating a [human rights policy](#) in April 2017.
- In formulating a human rights policy, each responsible department formed a cross-group project after discussions at a CSV (Creating Shared Value) committee meeting chaired by the president, while deepening their understanding of human rights issues as required of global companies. The company also received advice from external experts, and formulated a policy in February 2018.
- The company has long been committed to CSV as a management strategy, and human rights were included as an important issue in the Group’s materiality matrix (management issues for sustainable growth), which led to internal understanding that a human rights policy should be formulated as part of governance.

■ Overview of initiatives

Commitment according to human rights policy

- The company has viewed its human rights policy as the top policy of all documents and norms related to efforts to respect human rights, while incorporating the opinions of external experts. The policy has been formulated based on recognition of the importance of commitments from top management. Furthermore, the company holds dialogues with stakeholders

Kirin Group’s Human Rights Policy

The Creation Process for the Group’s Human Rights Policy

In accordance with the Guiding Principles on Business and Human Rights (the UN Guiding Principles) endorsed by the United Nations Human Rights Council in 2011, we have created the Kirin Group Human Rights Policy. This policy has been made our Compliance Guidelines as the basis for promoting activities to protect human rights, along with our business activities, and a primary support for human rights based on the Guiding Principles, which reflect the global standard.

Starting in April 2017, we have been working to deepen each department’s understanding of a wide range of human rights issues through dialogues with external companies. We have also conducted other interdepartmental projects and related activities to our outside experts. These efforts have laid the foundation on which we created the Kirin Group Human Rights Policy.

This human rights policy business as the internal policy for all investments and operations related to activities. But support request for human rights with the Kirin Group’s business activities.

We expect all of our business partners to support this policy and will seek to encourage our suppliers to adhere to this policy.



President and CEO
Kirin Holdings Company Limited
Masahiro Sasaki

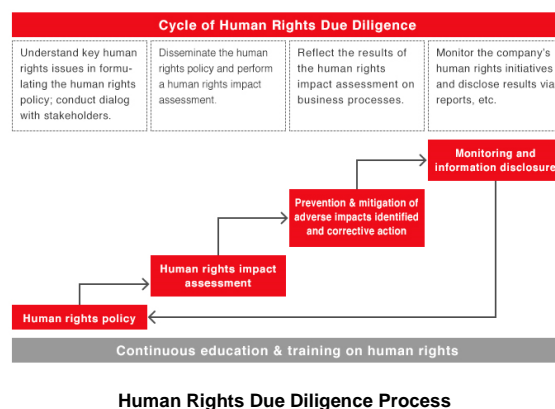
Top Commitment to Human Rights Policy

at the stage of formulating human rights policy, and reflects the opinions of stakeholders as much as possible.

- After the human rights policy was formulated, it was explained to all employees in the course of yearly human rights training, and joint venture partners (the Philippines liquor business, Myanmar liquor business, China beverage business, and the like) were also given the opportunity to explain the policy. Furthermore, the company has also held briefing sessions for suppliers to inform them of its human rights policies.

Implementation of human rights due diligence

- Assessments of local businesses and companies are conducted for countries and regions that have been identified as high-risk as a result of risk assessment. Staff members at headquarters visit the sites directly to provide explanations and evaluations, and develop an action plan with the local businesses and companies. While local companies mainly promote the action plan, the company headquarters monitors and checks the progress of cross-cutting matters and local initiatives, and publishes country-specific impact assessment reports.



- For local companies such as second-tier suppliers, site visits are conducted with the primary supplier, after providing explanations to the primary suppliers.
- The company is strengthening its efforts by incorporating a human rights perspective into checkpoints when making decisions about new businesses such as M&As and investments.

Setting up a grievance mechanism

- The company has established two types of hotlines, one internal and one external, for compliance inquiries for domestic employees, as well as a supplier hotline for business partners. In some countries, hotlines are set up for local employees.
- Channels for the entire community are issues for the future, but the company is considering various methods, including a mechanism for listening to the opinions of communities and suppliers other than establishing a reporting system, such as placing a sign at the entrance of the factory to make contact information public in cases where problems occur.

“Human Rights Policy” Practical Points: Implementing human rights risk identification in parallel

In parallel with the development of a human rights policy, the company conducted risk identification, such as what human rights issues are important in the supply chains, and since formulating its human rights policy, it has been implementing human rights due diligence without interruption.

Before formulating the human rights policy, the company lists the human rights issues that are considered important in the Group's business, and conducts risk mapping based on the views of external experts and desktop research. In addition, it holds video conferences and other meetings with human rights activists operating in countries and regions that have been identified as high-risk, to reflect local opinions.



Dialogue with Overseas Human Rights Experts

As it is important to ensure objectivity in the identification of human rights issues, the company holds dialogues with external experts and stakeholders in formulating a human rights policy that serves as the top policy when determining the direction of its future activities.

SHIMIZU CORPORATION

Company Name	SHIMIZU CORPORATION
Headquarters	Chuo-ku, Tokyo
Established	1804
Capital	¥74.365 billion
Number of employees	10,494 (as of the end of March 2021)
Business Overview	General construction
Main domestic branches	86 locations in 47 prefectures
Main overseas locations	Asia, Middle East, Africa, North America
Related URL	https://www.shimz.co.jp/en/company/csr/human/

Overview of main initiatives

- Awareness raising for human rights within the company had been conducted in advance of the development of the UNGPs in the form of training on human rights. This has served as the basis for promoting initiatives based on the UNGPs.
- On the occasion of the revision of the Civil Code, a clause on “respect for human rights” was established in the basic agreement concluded with sub-contractors. Furthermore, the company utilizes a dedicated website for sharing information with sub-contractors, and promotes human rights risk responses to business partners, including sharing best practices among sub-contractors.
- In the implementation of human rights due diligence, the company actively collaborates with external organizations (receiving advice from third parties) and promotes initiatives while ensuring objectivity.

■ Background of Initiatives on Business and Human Rights

- Since the 1980s, human rights initiatives such as conducting hierarchical training, have been carried out since before the formulation of the UNGPs, illustrating how the importance of human rights has been well understood by the management to date.
- In recent years, the situation relating to human rights at home and abroad has changed, and as the company expands its business globally, there have been requests from outside the company for ESG-conscious management, and the company has been reviewing its human rights initiatives.
- In the context of efforts based on the UNGPs, the company began to review the Basic Policy on Human Rights in the spring of 2018, and formulated the “[Shimizu Group Human Rights Policy](#)” in December 2018. The Code of Corporate Ethics and Conduct, which had already been formulated, also refers to the realization of companies that value people. The Shimizu Group Human Rights Policy is positioned as a guide for promoting efforts to respect human rights to fulfill its responsibility for achieving this goal.

■ Overview of initiatives

Commitment according to human rights policy

- In formulating its human rights policy, the company first reviewed the content of the UNGPs. Then, after referring to the examples of companies (regardless of industry) that had already formulated a human rights policy, it developed a draft of the policy with the advice of a third-party organization, and consulted with the management team. Human rights training for management had also previously been conducted, which has enabled smooth formulation of a policy by obtaining the understanding of management in advance.



Human Rights Education
Handbook

- The full text of the company's human rights policy is described in the human rights education handbook distributed to all employees. Furthermore, the key points of the company's human rights policy and the introduction of efforts based on human rights due diligence guidance are incorporated into the program and disseminated at group training sessions.

Implementation of human rights due diligence

- Since the company's main business is the domestic construction business, it identified "human rights risks for foreign workers, including technical intern trainees" as prominent human rights issues based on various media reports. So it implemented a fact-finding investigation, including interviews with technical intern trainees on the sub-contractors, and confirmed that there are no malicious human rights violations. The survey results have been disclosed as good practices and matters that need to be improved on a dedicated website for sub-contractors. In the future, the company will also consider questionnaire surveys and investigate the actual situation overseas.
- A clause on "respect for human rights" has been established in the basic agreement with sub-contractors, and business partners are also being requested to take initiatives related to human rights. The agreement stipulates that efforts will also be made with second-tier suppliers.

Setting up a grievance mechanism

- The company has set up a "compliance hotline" for internal use, and also accepts human rights-related topics as part of an internal reporting system. Consultations are received from external stakeholders, such as customers and local residents of the construction site, through the inquiry desk.
- Grievance mechanisms for handling complaints from the supply chain and construction sites are recognized as a challenge to be addressed going forward.



Compliance Hotline

“Human Rights Due Diligence” Practical Points: Using external knowledge to guarantee objectivity

In response to reports of various human rights violations involving foreign technical intern trainees and international students, the company conducted research on human rights risks for foreign workers, including foreign technical intern trainees working on the construction sites, which is the company's main business. In the course of the survey, it became apparent that the questionnaire alone cannot offer a complete picture of the actual situation, and so the company conducted interviews with the technical intern trainees in their native languages, in addition to conducting interviews with employers, checking documents, and confirming the living environments of technical intern trainees. When selecting interviewees, the company took care to avoid bias in relation to their occupations and countries of origin and conducted interviews directly with 30 technical intern trainees in four countries, targeting 10 sub-contractors. Companies for interview were selected by the procurement department and interviewed with the cooperation of a third-party organization.



Scene on site

In addition to cooperating with relevant departments within the company, the company ensures the objectivity and neutrality of the survey by utilizing external knowledge through incorporating the viewpoints of a third party when conducting interviews.

Sekisui Chemical Co., Ltd.

Company Name	Sekisui Chemical Co., Ltd.
Headquarters	(Osaka Headquarters) Kita-ku, Osaka City (Tokyo Headquarters) Minato-ku, Tokyo
Established	1947
Capital	¥100.002 billion
Number of employees	26,577 (Consolidated basis for the fiscal year ending March 2021)
Business Overview	Housing, urban infrastructure & environmental products, high performance plastics, medical, other
Main domestic branches	Offices, factories, research centers, and others
Main overseas locations	North America, Central America, Europe, Asia and Oceania, China
Related URL	https://www.sekisuichechemical.com/csr/esg/principle/foundation/index3.html

Overview of main initiatives

- The company identified issues related to business and human rights as CSR issues in the course of the CSR medium-term plan (2017-2019), and has been working on them since 2018.
- In human rights due diligence, after identifying important human rights risks from the viewpoint of the area (human rights issues and the country where the group company is located) and industry, the company conducted interviews with employees who had been stationed in countries and regions identified as having risks, and endeavored to understand the actual situation on the ground.
- In Japan, it conducted fact-finding surveys focusing on regions with a large number of foreign workers, with a priority on responding to foreign workers. If a visit was considered difficult due to the impact of the COVID-19 pandemic, remote interviews were conducted as an alternative.
- As an in-house grievance mechanism, it has introduced a system that can handle grievances on a global scale. However, how to set up a contact point for external stakeholders is a challenge for the future.

■ Background of Initiatives on Business and Human Rights

- As a result of identifying CSR issues in the course of the CSR medium-term plan (2017-2019), issues in the field of business and human rights have been identified. Although there was no specialized department within the company, and therefore efforts were not well advanced, the company has proceeded with efforts on human rights since 2018, in accordance with the UNGPs, aimed at stakeholders (including supply chains), such as the formulation of human rights policies.
- The company had established a human rights policy before it started working on business and human rights, but initially it stayed focused on protecting the human rights of its employees. A new human rights policy was formulated because the viewpoint of promoting respect for human rights across the supply chain and the viewpoint of human rights of relevant stakeholders was not included.

■ Overview of initiatives

Commitment according to human rights policy

- In formulating the [human rights policy](#), the company gathered the line managers of internal corporate departments, such as legal affairs, human resources, and purchasing and the like, implemented a workshop with the support of external experts, and discussed the details of the policy.

- When submitting the policy proposal to the Board of Directors, the CSR officer (at the time), who was also in charge of the Business Strategy Department and understood the importance of human rights, cooperated on explaining the policy to the other executives.
- In preparing the English version of the policy, the company asked foreign employees to check it. The company then received the suggestion that human rights initiatives should be carried out “as a matter of corporate responsibility,” instead of “to meet the demands of society,” and that this should be declared at the beginning of the policy. Accordingly, it is also necessary to consider the wording from the point of view of how the policy is viewed in the international community.

Implementation of human rights due diligence

- The company conducted a simple risk assessment of the area related to the company, with the cooperation of external experts, and identified priority issues from the viewpoint of the area (human rights issues and the country where the group company is located) and industry.
- Interviews were conducted with employees who had been stationed in areas identified as being at risk, and surveys were conducted on actual local initiatives and local circumstances. As a result, the company was able to learn about local efforts, such as installing suggestion boxes.
- In Japan, the company conducted interviews in regions with a large number of foreign workers. Due to the impact of the COVID-19 pandemic, interviews were conducted remotely, rather than through an in-person survey.

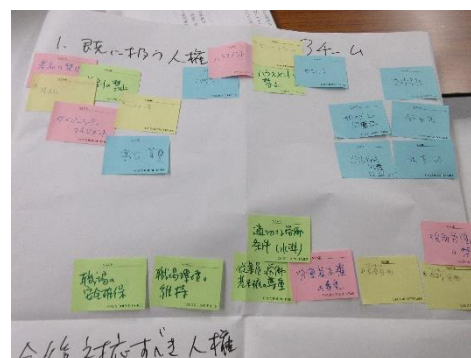
Setting up a grievance mechanism

- Regarding the in-house grievance system, the legal department has jurisdiction over the S.C.A.N. (Sekisui Compliance Assist Network) Secretariat. Many of the inquiries are about harassment, which is a part of human rights issues, in a broad sense. S.C.A.N. is available in the two languages of Japanese and English.
- The company recognizes the need to open a consultation desk currently for internal use to external stakeholders as well, but it believes that the issue of how such services will be developed is a challenge for future consideration.

“Human Rights Policy” Practical Points: Explaining the necessity to management, and the others concerned

In order to have management and related departments understand the importance of business and human rights, the company believes that it is important to explain while showing the specific impact on business.

Specifically, in order to deepen management and related departments’ understanding of the need to formulate human rights policies, the amount of future opportunity losses caused by not implementing human rights initiatives was estimated and explained. Especially in the electrical and automobile industries, the more leading-edge global companies are committed to respecting human rights. By demonstrating that efforts to respect human rights are necessary to be selected as a business partner from such customers, the company succeeded in gaining in-house understanding. Furthermore, the company emphasized the need for human rights initiatives through quoting the evaluation results from the ESG evaluation agency and showing the current situation in which the social score is lower than the environmental score.



Vigorous Discussion in Workshop for Formulation of Human Rights Policy

Seven & i Holdings Co., Ltd.

Company Name	Seven & i Holdings Co., Ltd.
Headquarters	Chiyoda-Ku, Tokyo
Established	2005
Capital	¥50 billion
Number of employees	135,332 (as of end of February 2021)
Business Overview	Retail industry
Main domestic branches	Approximately 22,600 stores (as of end of February 2021)
Main overseas locations	North America, China, and others
Related URL	https://www.7andi.com/en/sustainability/theme/theme5/client.html

Overview of main initiatives

- The company started CSR audits in 2012 following the formulation of the UNGPs. Along with the Japanese government's formulation of the NAP on business and human rights, it revised the Business Partner Action Guidelines.
- The company implements CSR audits of new suppliers before doing business with them. Furthermore, it clearly defines the procedures for conducting transactions such as pledges, SAQ self-checks, and CSR memorandum.
- Three reporting systems, the Group-wide Employee Helpline, the Business Partner Helpline, and the Audit & Supervisory Board Hotline, have been set up as a grievance mechanism. In order to ensure confidentiality, a third-party organization receives the reports and the Sustainability Development Department responds to them to ensure these systems are not influenced by personnel-related decisions. This allows the users to feel safe and secure while using the systems.
- As a people-driven company, the employees who work on the front line are the company's most important assets in making contact with customers. This is why the company intends to continue working on its material issues.

■ Background of Initiatives on Business and Human Rights

- In 1993, the company formulated its Corporate Action Guidelines. As for respect for human rights, it had been brought up before the formulation of the UNGPs. In recent years, the company has been aware of investors' requests and corporate evaluations in mind.
- Following the formulation of the UNGPs in 2011, CSR audits began in the following year, 2012. 17 CSR audits were conducted on a trial basis. Subsequently, the scope was expanded, and 413 third-party audits were conducted on all factories in China and Southeast Asia in 2020.
- The Corporate Action Guidelines already stated human rights initiatives of business partners, and the Japanese government decided to launch the NAP on business and human rights in 2016. Foreseeing an enactment of due diligence legislation, the "Seven & i Group Business Partner Action Guidelines" were formulated in 2017, and subsequently revised in 2019 as the SEVEN & i Group Business Partner Sustainable Action Guidelines.

■ Overview of initiatives

Commitment according to human rights policy

- The aforementioned guidelines stipulate that "human rights...shall be respected and protected with the highest priority." Previously, compliance with laws and regulations was the top priority, but in some regions and countries, laws and regulations are not in place, so respect for human rights has been set as a top priority. The guidelines require that child labor and forced labor are prohibited. It also requests that second-tier suppliers promote understanding of the guidelines.

- The company reviewed the UNGPs and the Japan Federation of Bar Associations' "Guidance for Human Rights Due Diligence," and checked the examples of other companies. "Trust from stakeholders" is described in the company's policy as a foundation of its business activities. Therefore, the need for human rights is keenly recognized by the management and has been approved by the Board of Directors based on the assessment of the external directors. While it is important to listen to the opinions of external experts, it is also important for the company to demonstrate its way of thinking by being actively involved itself in its own human rights policy-making.
- With the policy permeating throughout the company, the significance of the audit was correctly understood, and the results of the audit improved.

Implementation of human rights due diligence

- Before starting business with a company that has an overseas factory, the company first exchanges a written pledge and conducts a CSR audit based on the Business Partner Sustainable Action Guidelines. It sets the conditions for business transactions at C or above on a ranking scale of A to E, and in the case where a company is ranked D as a result of the audit, it request a re-audit.
- The company has set up 117 audit items in 16 categories, including human rights protection, compliance with laws and regulations, occupational safety and health, and environmental protection. It implemented a review in 2020, including setting the issue of "minimum wage" as one of the most important categories.
- Audit results have improved year by year. Ranks A, B and C accounted for only 17.7% of the total in 2017, but this improved to 80.1% in 2020.
- In 2019, the company held a total of 29 briefing sessions and seminars on action guidelines for suppliers in China and Southeast Asia. It is important to understand that "auditing is about visualizing the issues." By issuing a Certificate of Conformity, the company has also been trying to raise the branding value of the factories in its supply chain.



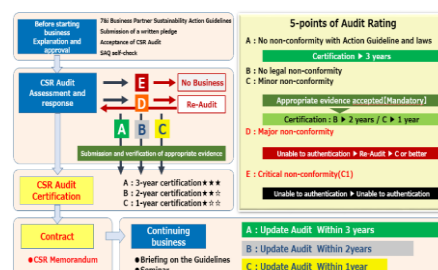
Certificate to Business Partners

Setting up a grievance mechanism

- The company sets up helplines for employees, business partners, and matters related to the executives and the members of management in Japan. It implements in-house training using e-learning and other methods, to ensure that all the parties are aware of this mechanism, and that improvements are promoted while preventing recurrence.
- In order to avoid raising concerns among users about the intervention of HR matters, the Employee and Business Partner Helpline is handled by the Sustainability Development Department, which is a neutral party.

“Human Rights Due Diligence” Practical Points: Setting audit certification acquisition as a condition for doing business

The company asks new suppliers to conduct a self-check following the exchange of pledges before doing business. Furthermore, it implements CSR audits to make obtaining certification a condition for doing business. The audit results are evaluated on a five-point scale ranging from A to E. In addition to setting a ranking of C or higher as a condition for doing business, a systematic human rights due diligence mechanism is put in place. This can include measures such as changing the interval between one audit and the next according to the rank. After the audit, the company also follows up on matters pointed out in the audit, such as confirming the status of reforms through the reform plan submitted by the suppliers. By issuing an audit report, the company is also working collaboratively on areas such as raising the branding value of the suppliers' factory, while setting up a systematic mechanism.



Human Rights Due Diligence Mechanisms using Certification Systems

Sojitz Corporation

Company Name	Sojitz Corporation
Headquarters	Chiyoda-Ku, Tokyo
Established	2003
Capital	¥160.3 billion
Number of employees	Alone: 2,645; consolidated: 20,181 (as of end of June 2021)
Business Overview	General trading company
Main domestic branches	5 domestic offices (headquarters, branches, and branch offices)
Main overseas locations	77 overseas bases (local corporations, representative offices, and others)
Related URL	https://www.sojitz.com/en/csr/priority/humanrights.php

Overview of main initiatives

- The company established the CSR Action Guidelines for Supply Chain in 2010. In putting this into practice, in 2015, a “Wood Procurement Policy” was established focusing on wood, and quantitative targets related to the handling of environmentally and socially friendly materials are set for 2025. The company formulated a human rights policy in 2017, and established a long-term vision called the “Sustainability Challenge” in 2018 that will last until 2050.
- The company believes that, with the conventional CSR questionnaire, it cannot properly grasp human rights issues in the company’s broad scope of business. It conducted risk analyses on the supply chain of each business using an external database. Based on the results of the analysis, an improvement plan was formulated with the supervision of external experts.

■ Background of Initiatives on Business and Human Rights

- As the company operates a wide range of businesses globally as a general trading company, it believes that responding to social and environmental risks in the supply chain together with suppliers is an important issue and established the [Sojitz Group CSR Action Guidelines for Supply Chains](#) in 2010. Subsequently, in June 2017, a [Sojitz Group Human Rights Policy](#) was formulated, with the belief that it was necessary to raise awareness internally and externally, in the face of the United Nation’s endorsement of the UNGPs and global momentum such as the SDGs and ESGs.
- In 2018, the company established the [Sustainability Challenge: Sojitz’s Long-Term Sustainability Vision for 2050](#), a long-term vision that will last until 2050 relating to the environment and human rights. This mentions “Respect for Human Rights within Supply Chains.” Although there was not much focus on human rights risks in the supply chain in general at the time this vision was established, the fact that the president used to serve as a director in charge of CSR has been beneficial in enabling the company to set ambitious goals.

■ Overview of initiatives

Commitment according to human rights policy

- Around 2017, society’s understanding of the need to address human rights in core business operations was insufficient, but considering the growing momentum of the SDGs and ESGs, the company formulated a human rights policy.
- For awareness raising, human rights risk seminars are held for executives and employees, including group companies, and awareness-raising activities such as e-learning are conducted for all employees on a regular basis. Furthermore, the company incorporates human rights content into new graduate on-boarding training, mid-career recruitment, and management training. As awareness of human rights considerations is increasing around the globe, in 2021 the company’s specialized departments engaged in direct dialogue with the management of

all of the group’s consolidated subsidiaries on the theme of human rights risks, sharing the company’s work policies, and listening to workers’ accounts of the problems they feel they face on site.

- By setting out the need for human rights considerations in the “Wood Procurement Policy,” the company has been recognized as having a high level of environmental and social considerations in wood procurement, which has led to positive evaluations of the company. Furthermore, the company discloses mid-term goals that are set based on the policy and discloses the progress and achievements made in relation to those goals every year. It also plans to expand the policy to other segments (fields) and commodities to formulate other policies as necessary.

Implementation of human rights due diligence

- The company positioned the medium-term management plan until 2020 as the preparation period for achieving the Sustainability Challenge, and placed emphasis on risk analyses and evaluations for considering measures.
- Conventionally, the company had conducted risk assessment through a unified CSR questionnaire. However, because the scope of the company’s business is wide, and important human rights issues differ by segment (field), the company believes that it is not optimal to distribute and collect a uniform questionnaire. Instead, it conducted risk analyses for each business area.
- In the risk analyses, data on human rights risks were extracted from databases maintained by international NGOs, and prioritization of the issues to be addressed is made based on the company’s knowledge.
- The company provides a CSR Action Guidelines for Supply Chains for suppliers. In the event of a report of gross negligence against the Guidelines, the company asks its suppliers to address the issue and conduct on-site investigations as necessary.



Human Rights Initiative in Medium-Term

Setting up a grievance mechanism

- The company has set up a compliance hotline for internal use to which it receives inquiries about non-compliance, including human rights violations. It is available in approximately 20 languages of the countries where the company operates.
- The company has established a contact point on its external website and responds to inquiries in Japanese and English.

“Human Rights Due Diligence” Practical Points: Communicating with practitioners

When carrying out human rights risk analyses, the company identifies high-risk business areas from a wide range of businesses and maps where and what risks can occur in the supply chains.

After identifying the risks, the company firstly conducted interviews with associates working in the sales department, its suppliers, and each group company in the relevant business field on how they were responding to the current situation. Rather than imposing the results of the analyses on the above associates, the company communicated with them by showing its intention to appeal to external parties that its associates on the front lines are firmly committed. The company then compiled information on the status of its response while obtaining the understanding of the relevant departments and suppliers in the company. The company also created an improvement plan after compiling information on the current situation and receiving confirmation from external experts as to the adequacy or inadequacy of the response. In the future, the company will take measures to attain the Sustainability Challenge and continuously monitor the situation.

	Water supply chain	Forest disturbance	Illegal mining, timber, natural resources	Raw materials, earth, mining, the minerals	Waste	Forest, forests
General environmental and social issues in supply chain	Deforestation Labor issues Land reclamation	Mercury, toxic pollution Labor issues GHG emissions	Mercury, toxic pollution Labor issues Local health damage	Excess waste Labor issues International law		
1. Oil						
2. Natural gas						
3. Minerals						
4. Timber						
5. Metals						
6. Palm Oil						
7. Paper						
8. Fiber						
9. Chemicals						
10. Foods						
11. Commodities						

Environmental and Social Issues by Business Domain

Sony Group Corporation

Company Name	Sony Group Corporation
Headquarters	Minato-ku, Tokyo
Established	1946
Capital	¥880.2 billion
Number of employees	109,700 (as of end of March 2021)
Business Overview	Game & network services, music, pictures, electronic products & solutions (mobile communications/Imaging products & solutions/home entertainment & sound), imaging & sensing solutions, financial services & other business
Main domestic branches	Tokyo, Kanagawa Prefecture, Miyagi Prefecture
Main overseas locations	North America, Europe, Asia Pacific, China, and others
Related URL	https://www.sony.com/en/SonyInfo/csr_report/humanrights/

Overview of main initiatives

- The company expresses commitment to human rights in the Sony Group Code of Conduct, the most important code which is thoroughly made known to all Sony employees. By selecting a medium that is effective for the company, the company has been successful in making it known to the entire group.
- The company conducted gap analyses on human rights, triggered by the formulation of the UNGPs in 2011. It identifies high-risk businesses by mapping human rights risks at the entire company level while also utilizing the opinions of external experts.
- The company applied the Sony Supply Chain Code of Conduct to suppliers and contractors of electronic equipment products that are identified as having relatively high risk as a result of mapping. It conducted a risk-based assessment for primary suppliers and carried out on-site visits for high-risk suppliers.

■ Background of initiatives on business and human rights

- In the 1980s, the company implemented measures such as setting up a human rights office. Thereafter, when the Sony Group Code of Conduct was enacted in 2003, it incorporated “respect for human rights” as a code that employees around the world are required to observe.
- It became a founding member of the EICC (currently, RBA)⁵ in 2004, against the backdrop of suggestions from NGOs and others regarding the supply chain of electronic products.
- On the occasion of the formulation of the UNGPs in 2011, the company re-examined the impacts of corporate activities on human rights in line with the approach of the UNGPs. It reviewed whether the Group’s response was adequate, conducted gap analyses with the UNGPs, and also conducted human rights risk assessments for each business.

Milestones

- 1987: Human Rights Office established
- 1991: Human rights lectures for employees launched
- 1995: Sony Group Human Rights Committee established
- 1998: Counseling services on human rights and equal opportunities for employees initiated
- 2000: Philosophy and basic approach to human rights established
- 2003: Sony Group Code of Conduct established
- 2011: Human Rights Committee changed name to Diversity Committee
- 2012: Human right risks analyzed
- 2018: Sony Group Code of Conduct revised
Sony Group AI Ethical Guidelines established
Human rights risk analysis updated

Sony Group’s Milestones

⁵The Electronic Industry Citizenship Coalition (EICC) is an organization established to improve the status of the supply chain in the electronics industry. It sets environmental and social standards and other standards as its code of conduct. Thereafter, the target also expanded to related industries, and the like, so the name was changed to “RBA (Responsible Business Alliance)” in 2017. <http://www.responsiblebusiness.org/>

■ Overview of initiatives

Commitment according to human rights policy

- The [Sony Group Code of Conduct](#), which was formulated in 2003, was revised in 2018 when “respect for human rights” was added as one of its core principles. The Sony Group Code of Conduct is positioned as the most important norm of the whole group and is issued with the approval of the Board of Directors. The Code of Conduct is a document that is thoroughly communicated to all employees who conduct a variety of businesses around the world. It is believed to be a suitable document for expressing human rights commitments across the group.
- The company established policies and a management system (internal systems, processes, and mechanisms) for reducing risks in areas where human rights risks may exist, such as a supply chain code of conduct which covers electronic products and AI ethics guidelines and the like, while the Code of Conduct covers the top-level concept.

Implementation of human rights due diligence

- With NPOs’ participation as third parties, the company created a list of human rights issues in accordance with international standards such as the Universal Declaration of Human Rights, the ILO International Labour Standards, and the OECD Guidelines for Multinational Enterprises. As a result of mapping risks by considering business models and contact with stakeholders, it confirmed that the human rights risks related to the supply chain of electronic products are relatively high in the Group.



- The company developed a “Supply Chain Code of Conduct” based on the RBA Code of Conduct for the supply chain of electronic products based on the results of risk assessment across the entire Group. It conducted on-site audits for high-risk suppliers for which the company conducts risk-based supplier assessments, taking into account regions and transaction amounts and the like.

Setting up a grievance mechanism

- The company has set up a conflict minerals-related hotline on its sustainability website in English and Japanese.
- It has also set up points of contact for Sony Group employees, such as the Sony Ethics & Compliance Hotline. Supplier hotlines have been set up for suppliers, but long-term efforts will also be made to make the hotlines available in multiple languages and to develop grievance mechanisms for supplier workers.

“Human Rights Policy” Practical Points: Choosing the appropriate way to make commitments

There are various ways to communicate commitments, but it is important to consider the most effective method for each company.

At the global meeting of the members of the legal and compliance departments from countries around the world, who are responsible for disseminating the Group Code of Conduct, an opportunity was created to consider business and human rights by discussing “why” respect for human rights should be incorporated into the code of conduct. In addition, by encouraging key affiliates to send human rights messages from management, and conducting human rights training not only at Sony Group Co., Ltd., but also at affiliated companies, human rights awareness is spreading throughout the entire group.

The company attaches great importance to the Sony Group Code of Conduct as the highest standard and a mechanism had already been in place to thoroughly inform all employees around the world about it. Therefore, incorporating human rights issues in the code of conduct has led to them permeating the entire group.



Sompo Holdings, Inc.

Company Name	Sompo Holdings, Inc.
Headquarters	Shinjuku-ku, Tokyo
Established	2010 (transitioned to a holding company system)
Capital	¥100.0 billion
Number of employees	48,115 (Consolidated) (March 2021)
Business Overview	Domestic P&C insurance business, overseas insurance and reinsurance business, domestic life insurance business, nursing care and senior business, digital business, and healthcare business
Main domestic branches	Insurance claim service branches, and sales branches nationwide
Main overseas locations	Asia, Oceania, North America, Central America, Europe, Africa, and others
Related URL	https://www.sompo-hd.com/en/csr/action/employee/content4/

Overview of main initiatives

- When formulating various policies, including the Group Policy for Human Rights, the company conducts dialogues with stakeholders, and considers the contents of international codes such as the SDGs, the UNGPs, and the OECD Guidelines for Multinational Enterprises.
- In establishing the Group Policy for Human Rights, the company believes that it is important to revise the policy according to the company's philosophy and culture while considering international norms. On the other hand, the policy may be expressed in a way that can be interpreted in a different sense in the process of putting things into the company's own words. It is therefore important to formulate the policy after having dialogues outside the company.
- From the implementation of risk assessments to human rights risk assessments, PDCA management on business and human rights is conducted by sustainability-related departments. However, corrective measures and prevention are implemented by each of the group's businesses and companies.
- The company implements the PDCA cycle with the belief that incorporating human rights due diligence, which is an ongoing process, into the existing sustainability promotion system is effective in promoting human rights due diligence across the entire group.
- In addition to the complaint-reception desk for the entire group, there is also a contact for each business operator and a legal counsel contact outside the company.

■ Background of Initiatives on Business and Human Rights

- Before the formulation of the UNGPs, the company had been working on human rights and formulating policies on human rights.
- Information on the SDGs and the NAP on business and human rights are understood through communication with domestic and international stakeholders. The company responds in line with the trends of society without being limited to human rights.

■ Overview of initiatives

Commitment according to human rights policy

- The [Group Policy for Human Rights](#) was revised in 2016 and 2019. Importance is placed on dialogues with stakeholders when formulating various policies without limitation to this policy. The policy also takes into consideration the contents of international codes such as the SDGs, the UNGPs, and the OECD Guidelines for Multinational Enterprises.
- The group is engaged in the nursing care business; human rights have long been recognized as a theme of which management should be aware. Furthermore, efforts related to

sustainability issues, unlimited to human rights, are reported to management approximately twice a year from the viewpoint of further improvements through the PDCA cycle.

- Although it is necessary to consider international norms when formulating human rights policies, it is important not to apply them directly, but to consider the expressions used according to the company's philosophy and culture and communicate them in the company's own language. On the other hand, it may also be the expressions used that can be interpreted in a different sense in "the process of putting things into the company's own words," so the company believes that it is necessary to have dialogues and engagements with people outside the company.

Implementation of human rights due diligence

- The company requested group companies to analyze human rights issues in all businesses (P&C insurance, life insurance, nursing care, and other strategic businesses). The score was assigned based on both severity (degree of impact on human rights) and the connection between the risk and the company, and the key issues in terms of human rights risks were identified. PDCA was implemented by taking corrective measures for the identified risks at the time of risk occurrence for all companies or business companies.
- One of the group companies, Sompo Japan, which is responsible for the P&C insurance business, takes careful measures to avoid involvement in projects that may be linked with child labor or forced labor in its investment and financing and also identifies projects that have a negative impact on society in insurance underwriting, conducts discussions with the sales department and customers, and makes individual underwriting judgments.

Material issues	Target stakeholders	Business
Employee health and safety	Employees	All businesses
Long working hours	Employees, workers in supply chain	All businesses
Unstable wages and employee benefits	Employees, workers in supply chain	All businesses
Humane treatment (including harassment) of employees and others	Employees	All businesses
Inappropriate disclosure of employee and customer private data, Privacy violations	Employees, customers	All businesses
Discrimination related to products and services and other human rights violations	Customers	Nursing care business
Safety of products and services	Customers	Nursing care business

Priority Human Rights Risk Issues in Company
Group systems

Setting up a grievance mechanism

- As a point of contact for the entire group, a compliance hotline is available. It is handled by the compliance department. There are also contact points for each business operator and an external legal counsel.
- It is likely that there are currently few human resources who are aware of business and human rights even among whistleblowers and departments that receive reports. In order for the contact point to function, it is also important to promote and disseminate understanding.

“Human Rights Due Diligence” Practical Points: Using the sustainability promotion system

Corrective measures are taken through operating companies, so the company believes that in order to strengthen corrective measures, it needs to promote an understanding of business and human rights among operating companies. And thus it has established a group promotion system using a framework for promoting sustainability.

The “Group Sustainable Management Promotion Council” with the Group CSuO (Chief Sustainability Officer) as the chairperson and executive directors of the group company as its members, confirms progress, identifies issues, and reviews the progress periodically. It also discusses policies for addressing sustainability issues, including human rights, based on the various perspectives of each business and company, to ensure highly effective management.



Group's Sustainability Promotion Systems

Teijin Limited

Company Name	Teijin Limited
Headquarters	Chiyoda-Ku, Tokyo
Established	1918
Capital	¥71.8 billion
Number of employees	Domestic: 9,583; Overseas: 11,507; Total: 21,090 (as of end of March 2021)
Business Overview	Materials and healthcare business
Main domestic branches	55 domestic group companies
Main overseas locations	117 group companies in Asia, America, Europe, and others
Related URL	https://www.teijin.com/csr/human_rights/

Overview of main initiatives

- The company sends video messages from the CEO to all group companies with subtitles for all language of regions and countries where they operate, in order to share the code of conduct that sets out the underlying rules for realization of the corporate philosophy such as respect for human rights throughout the group.
- In response to requests from the international community, the company has been conducting seminars and audits for its business partners since 2014. Currently, CSR procurement questionnaires are conducted for more than 800 companies, covering 75% of the purchase amount. The company has also requested suppliers who need to improve to prepare an improvement plan and they check the status of improvements.
- As a grievance mechanism, a hotline is available that can respond globally, in addition to an internal notification contact point for domestic employees. The company also adopts an external system to support all 24 countries and 19 languages of regions and countries where the group companies operate. When it comes to establishment of a global grievance contact, it is important to respond to foreign personal information protection laws and regulations including the EU GDPR (EU General Data Protection Regulation), from the viewpoint of protecting personal information.

■ Background of Initiatives on Business and Human Rights

- In 1993, the company established a corporate philosophy that “it will strive to improve the quality of life with a deep understanding of human beings and rich creativity.” In 2018, which marks the 100th anniversary of the company, the company implemented the [think human project](#), to consider what the Teijin Group should be in the next 100 years. At that time, the discussion of managing with an awareness of people which is also in the corporate philosophy was an opportunity to consider human rights more deeply. The formulation of the [human rights policy](#) in 2018 was also underpinned by the trend of promoting a renewed awareness on people-focused management on the occasion of the 100th anniversary of the company’s founding.
- The number of foreign-national employees exceeds the number of employees of Japanese nationality. In order to facilitate employees’ understanding, the Code of Conduct in June 2018 was revised to have five items with the company name [TEIJIN](#) as an acronym, and “I” for “Integrity” incorporates the intention of “respect human rights.”

■ Overview of initiatives

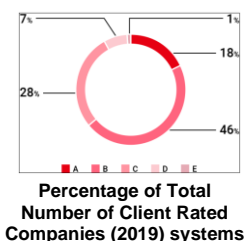
Commitment according to human rights policy

- The formulation of a human rights policy took approximately two years. The company reviewed and incorporated the UNGPs, the Universal Declaration of Human Rights, ILO regulations, and OECD Guidelines for Multinational Enterprises into the contents of the policy.

- At the time of formulation, from 2017 to 2018, understanding within the company had not advanced and the momentum was not yet sufficiently strong outside the company, so importance of respect for human rights was repeatedly explained to management. Even though the CSR department asserted the need for respect for human rights, simply stating that was not enough to adequately convey its importance to the departments in charge of business. Therefore, with a sense of urgency, the company began to convey this need using examples of how we are now in a time where if respect for human rights is disregarded, the company would be excluded from business transactions.

Implementation of human rights due diligence

- The company implemented audits of business partners from around 2015. In 2018, it conducted a human rights risk assessment that provides an overview of the business of the Group, and identified business areas and regions that are prone to human rights violations. The CSR procurement questionnaire conducted by major group companies has gradually increased its coverage. Currently it covers more than 800 companies, and covers 75% of the purchase amount ratio.
- The CSR procurement questionnaire is evaluated on a five-point scale of A, B, C, D, and E. The ranks A to C are defined as “acceptable as a business partner.” Among more than 800 companies from which answers were received as of 2019, 92% earned rank C or higher. For supplier companies with low ratings, the company explained that improvements are needed and requested submission of improvement plans. The company then confirms the situations of improvements one year thereafter.
- From around 2015, Teijin Frontier Co., Ltd., a group company, has been conducting CSR seminars for suppliers for awareness raising. These are implemented several times a year in Vietnam, Thailand, China, and Japan, and have continued to be implemented online even during the COVID-19 pandemic. In addition, documentation on procurement standards containing conditions on human rights was distributed to the company’s business partners to request their compliance with it.

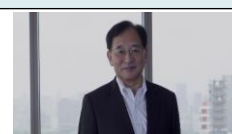


Setting up a grievance mechanism

- The company has set up a six-way notification contact desk, such as the business ethics opinion box, a compliance hotline, a sexual harassment hotline, a counseling and reporting center for business partners, an integrity hotline for overseas offices, and direct email and phone reception. These are available in all 24 countries and 19 languages where the group companies do business.
- The CSR and reliability assurance department handles reports. The HR department does not deal with them, and a mechanism that makes it easy to report, including an external contact, has been established in order to ensure that personnel are not disadvantaged by reporting, or retaliated against for doing so.
- In the EU, GDPR regulations on the handling of personal information have become stricter. In order to build a global contact, it is important to utilize systems that correspond to the personal information protection laws of each country.

“Human Rights Policy” Practical Points: setting up tools to disseminate “Tone at the Top”

The company created a video message by the CEO, with subtitles in languages of regions and counties where the group companies operate, and disseminated it to all group companies to widely convey the Code of Conduct and promote respect for human rights throughout the company. The video message is also delivered at internal events overseas, communicating a strong message to employees.



Video Message by CEO

In the future, the company will produce videos that also explain the contents of the Code of Conduct. Furthermore, there is a new mechanism to recognize and award good examples of putting the Code of Conduct into practice, and the awarded cases will be published in a booklet summarizing points to note when it comes to applying the Code.

Toyota Motor Corporation

Company Name	Toyota Motor Corporation
Headquarters	Toyota City, Aichi Prefecture
Established	1937
Capital	¥635 billion (as of March 31 2021)
Number of employees	71,373 (Consolidated: 366,283) (as of March 31 2021)
Business Overview	Motor vehicle production and sales
Main domestic branches	Global headquarters, local offices, production facilities, research and development facilities, and dealerships
Main overseas locations	North America, Latin America, Asia, Europe, and Africa
Related URL	https://global.toyota/en/sustainability/esg/human-rights/

Overview of main initiatives

- In order to grasp the risk related to human rights violations within the company, group companies, and business partners, Toyota has progressed its own understanding of international human rights issues and also has promoted human rights due diligence from 2018 by conducting dialogues with international organizations and NGOs, etc.
- Toyota's corporate philosophy is linked with the spirit of the SDGs. In May 2020, the top management issued a strong commitment to earnestly engage in the SDGs. As a result, efforts to address business and human rights have accelerated.
- Migrant workers and the procurement of cobalt have been identified as important issues. In particular, with regard to migrant workers, fact-finding surveys focusing on forced labor are conducted among major suppliers and the like.
- The company is also working on human rights due diligence in collaboration with NGOs. An example of this would be holding study sessions for suppliers.
- The company participates in a platform involving various stakeholders regarding the acceptance of foreign workers, and also takes part in cross-company discussions to establish a multi-stakeholder complaint handling window.

■ Background of Initiatives on Business and Human Rights

- Awareness of human rights is in line with the Toyota Group founder, Sakichi Toyoda's thoughts towards people working on the job. Specifically, it relates to the idea of "making someone else's work easier" in the Toyota Production System, which has been inherited in Toyota's DNA as the "Toyota Philosophy."
- Toyota's mission is to "produce happiness for all" based on the concept of "for someone other than ourselves," "for the world," and "for the future." This applies not only within the company, but also to our colleagues working in the supply chain. The company believes that it should never manufacture cars at the expense of anyone. This is in line with the spirit of the SDGs, and Toyota promotes human rights initiatives based on this philosophy.
- In recent years, the company has received an increasing number of inquiries from shareholders, investors and research institutions from an ESG perspective. From 2018, Toyota's corporate website, which publishes the "Sustainability Data Book," has also clearly indicated that Toyota will promote human rights efforts based on the UNGPs.

■ Overview of initiatives

Commitment according to human rights policy

- Although no stand-alone human rights policy has been formulated, the company's basic concept is based on the incorporation of human rights issues into internal policies and principles (supplier CSR guidelines, policies for responding to responsible mineral procurement, and others), and the endorsement of various declarations by external

stakeholders⁶. These policies have been revised as necessary, based on the international community's expectations for companies

- At the financial results briefing in May 2020, Toyota's President declared a strong commitment to earnestly engage with the SDGs. In order to realize the SDGs' central promise of "leaving no one behind," the company will strengthen its business and human rights efforts.

Implementation of human rights due diligence

- In 2019, the company identified migrant workers and cobalt procurement as salient issues. This was based on case studies from leading companies and views from NGOs and external consulting firms. In order to understand the actual status of the utilization of migrant workers, a survey was conducted for Toyota's domestic and overseas subsidiaries, group companies in Japan and their major Tier-1 suppliers, and Toyota's own major Tier-1 suppliers.
- The company believes that one of the problems that can occur with migrant workers, especially technical interns, is a case of exploitation where excessive fees are required. Therefore, Toyota has investigated whether such exploitation has occurred in the case of each of Toyota's Group companies in Japan, its major Tier-1 suppliers, and Toyota's own major Tier-1 suppliers. The company also collaborates with a supervising organization to verify the actual situation. If there are any problems found, corrective actions are requested.
- Conflict minerals⁷ are handled according to international standards. Since such standards have not yet been established for cobalt, the company conducts individual consultations and human rights due diligence.

Foreign Technical Internship Trainees Utilization (Japan)

	No. of Companies Surveyed	No. of Companies Utilizing Technical Trainees	No. of Trainees
Toyota Group Companies & Their Major Tier-1 Suppliers	119	83	2,800
Tier-1 Suppliers	276	124	6,300
Total	395	207	9,100

Foreign Technical Internship Trainees Utilization (Japan)

Setting up a grievance mechanism

- As a point of contact for human rights complaints, a Speak Up Consultation Contact Point has been set up. The website of Kyohokai (Parts Suppliers' Organization with approximately 230 member companies) has a link to such services.
- The company also participates in a platform including various other stakeholders. This platform relates to the acceptance of foreign workers, and discusses contact points for grievance mechanisms. Due to the various types of consultations received from foreign workers, including not only those relating to their working conditions but also to daily life, the company believes that it should develop a system that provides realistic relief by setting up a multi-stakeholder type grievance desk rather than conducting the consultations singlehandedly.

"Human Rights Due Diligence" Practical Points: Supply chain management

Because of the significant increase in the number of foreign workers in Japan and in Toyota's domestic affiliates, Toyota has developed surveys for its major Tier-1 suppliers, and is working to understand the actual situation, such as what is happening in terms of fees being charged to foreign technical intern trainees. When conducting the surveys, the highest risks areas are prioritized.



Emphasis is placed on cooperation with external stakeholders (NGOs and other organizations) to share the latest human rights developments, and to seek advice, including consultations on difficult judgements to make, or confirmation of the content of the relevant survey, when conducting actual human rights due diligence. In addition, at the regular monthly meetings with the Toyota Group companies, Toyota invites specialists from NGOs to hold study sessions as needed.

⁶ Following the publication of this document, Toyota Motor Corporation developed a human rights policy.

⁷A mineral resource being mined in the Democratic Republic of the Congo and surrounding countries, which is being used as a source of funding for armed conflicts, and the like. This is an international concern. Refers mainly to tin, tantalum, tungsten, and gold (3TG) as defined by the US Financial Regulations Reform Act (Dodd-Frank Act).

Hitachi, Ltd.

Company Name	Hitachi, Ltd.
Headquarters	Chiyoda-Ku, Tokyo
Established	1920 (Established:1910)
Capital	¥460,790 million (as of end of March 2021)
Number of employees	350,864 (consolidated, as of March 2021)
Business Overview	Electrical equipment industry
Main domestic branches	Head office, branch office, business unit, research & development group, corporate hospital, and others
Main overseas locations	North America, Central America, Asia, Europe, Middle East, Africa, and Oceania
Related URL	https://www.hitachi.com/sustainability/social/human-rights/index.html

Overview of main initiatives

- The company formulated a human rights policy in 2013. At the time, Japanese companies were still in the process of formulating their own human rights policies, so the draft was prepared in English with reference to overseas examples. In formulating the policy, dialogues were implemented with stakeholders in Europe, and efforts were made to reflect the opinions of various experts.
- As an initiative for internal awareness, the president sends a message to all Group employees every year on Human Rights Day (December 10). (Results for 2020: 242,000 messages)
- In the risk analysis of human rights due diligence, the company conducted an examination from two axes: a risk assessment by functions and a risk assessment by business. It identified “forced and migrant labor” as a human rights risk for the entire group based on the comprehensive review of external information and evaluation items.
- The grievance mechanism utilizes an external contact point and it is available in multiple languages 24 hours a day. By making a single point of contact, which enables us to gather opinions globally and take advantage of the fact that information can be collected in one place, the company aims to create a mechanism that will link to human rights due diligence.

■ Background of Initiatives on Business and Human Rights

- From around 2010, when the draft UNGPs were being prepared, there had been a movement that Hitachi needed to do something about business and human rights. The [“Hitachi Group Human Rights Policy”](#) was published in 2013, after the company had taken one or two years to review and publish it through obtaining opinions from external experts, holding management meetings, and obtaining management’s approval.
- The adoption of the UNGPs provided major stimulus for undertaking initiatives in the area of business and human rights. In addition to this, external factors caused the company to begin addressing business and human rights from a comprehensive perspective. These factors include: the fact that the company, as a supplier, began to receive requests from customers for it to conduct surveys on human rights; an increase in human rights-related questions in ESG assessments; and the full-scale implementation of human rights initiatives by other companies in the same industry.

■ Overview of initiatives

Commitment according to human rights policy

- At the time of formulation of its human rights policy, there were almost no Japanese companies that had formulated human rights policies, so the company referred to the initiatives of overseas ICT-related companies that were leading the way with their efforts. With the support

of a US-based NPO, a draft was formulated in English. Furthermore, in February 2013, the “European Stakeholders Dialogue on Human Rights” was held and the opinions from the European Commission, the ILO, NGOs, companies, and professional lawyers were reflected in the “Hitachi Group Human Rights Policy,” which was published in May 2013.



HR Training for Executives

- As an initiative for internal awareness, the president’s signed message is sent to Group employees every year since 2014 on Human Rights Day. The theme changes every year, and includes topics such as human rights issues of high social interest, and is offered in three languages: Japanese, English and Chinese.
- As for human rights training, e-learning based on the “Hitachi Group Human Rights Policy” has been introduced in 15 languages for all employees. The company’s goal is for employees to take this course at least once every three years. Every year, experts are also invited to conduct human rights training for the company’s executives.

Implementation of human rights due diligence

- The company implemented a risk assessment of a specific business and an analysis and evaluation of human rights risks in specific countries as a pilot program in 2013. Working groups were formed to work on identification of risks. These working groups focused on the procurement departments in 2015, and on the human resources departments in 2016, respectively.
- In addition to a cross-sectoral analysis of the procurement departments and human resources departments of the group companies, the company also conducted risk assessments on the business axis with consideration given to the industry types of each group company, the products handled, the characteristics of stakeholders, and the customers whom it supplies. As a result of the risk assessment, “forced and migrant labor” was identified as a human rights risk for the entire group.
- The company itself has produced a questionnaire to be distributed to suppliers with reference to RBA. In the event that an audit reveals a problem, the company requests suppliers to submit an improvement plan, but it does not mean the company immediately terminates the contract. It is recognized that even if a contract is canceled, it will not lead to the resolution of fundamental human rights issues. Thus, the company considers the challenge for the future is how to offer guidance to correct problems.

Setting up a grievance mechanism

- The company uses a third-party platform as a consultation contact point. This platform is available in dozens of languages and allows 24-hour reception via an online form or by telephone.
- It has not been long since the company unified the contact points, so making sure people know about it is an issue for the future. Ultimately, the company would like to incorporate grievance into the human rights due diligence process so that the risks can be addressed through a grievance mechanism before they become real problems.

“Grievance” Practical Points: Multilingualism using external systems

Conventionally, the company had set up a consultation contact point for harassment and other human rights issues at the business office, but the group’s point of contact was unified into the “Hitachi Global Compliance Hotline” in 2020 to hear the opinions of overseas group companies and to receive consultations in multiple languages.

External systems are used to create mechanisms that are easy for employees to use. The reason is that multilingual support is difficult with only internal resources and that external contacts would make it easier for employees to consult without having to worry about being disadvantaged in terms of the personnel system.

In the future, the company is planning to take advantage of the merits of having a single point of contact to consolidate information in one place and implement effective corrective measures, such as considering improvements in cases where it receives many consultations from the same office.

Mitsubishi Estate Co., Ltd.

Company Name	Mitsubishi Estate Co., Ltd.
Headquarters	Chiyoda-Ku, Tokyo
Established	1937
Capital	¥142.2 billion
Number of employees	9,982 (Consolidated; as of end of March 2021)
Business Overview	General real estate industry
Main domestic branches	7 domestic branch offices
Main overseas locations	United States, Europe, Asia, and Oceania
Related URL	https://www.mec.co.jp/e/sustainability/activities/social/human-rights/index.html

Overview of main initiatives

- The company developed its human rights policy in 2018, as a pioneer in the Japanese real estate industry. In parallel with the policy formulation process, it also worked on human rights risk identification.
- Furthermore, the company initiated the holding of a joint study group with major companies in the construction and real estate industries. In the course of the group's activities, the company conducted interviews with foreign technical intern trainees who were actually involved in human rights issues, and requested that the construction companies inform and instruct their partner companies in writing on matters that may need improvement.
- The company provides a "customer-only helpline" for business partners, a "group helpline" that can be used by employees, temporary employees, part-time employees and others, and an "employee consultation contact point" on its Intranet site.

■ Background of Initiatives on Business and Human Rights

- Since the 1970s, the company has been recognizing the importance of human rights through awareness-raising activities on human rights issues such as anti-discrimination and the problem of social integration.
- As globalization advances and disparity is exacerbated, from around 2016/2017 the company came to recognize the international movement on sustainability and the importance of companies' respect for human rights and fulfillment of social responsibilities, in compliance with international standards. At that time, the Japanese real estate industry was not actively discussing these issues, but the company was the first to prepare to formulate a human rights policy based on the UNGPs.
- In April 2018, the Human Rights Awareness and Diversity Promotion Office of the Human Resources Department, which had been conducting internal human rights awareness-raising activities, took the lead in formulating a [human rights policy](#), which accelerated the company's initiatives on business and human rights. This policy was issued in the name of the executive president after first being discussed in the company's management meeting and board of directors' meeting.

■ Overview of initiatives

Commitment according to human rights policy

- When formulating a human rights policy, the company identified businesses that are at high risk of human rights violations, by means such as creating a risk matrix and prioritizing risks.
- The company found that it is not difficult to create the text of the policy itself if it follows the examples of other companies and the UNGPs, but what the company valued was putting the policy into practice. The human rights policy that is promoted and approved by top

management can be a driving force for advancing internal and external efforts on human rights as a badge of honor.

- Explanatory notes on the human rights policy were posted on the company's Intranet site. Human rights policies and the theme of business and human rights are also included in training given to new employees and management. External lecturers are invited to give lectures every year, and "human rights lectures" are held for executives, management, and presidents of group companies, among others.

Implementation of human rights due diligence

- Based on the risk assessment in formulating the human rights policy, three areas were identified as priority areas where human rights risks are likely to become apparent. They are the "real estate development business," "overseas business," and the "hotel business," and the company is working to address these potential risks.
- In 2018, the company initiated the "Human Rights Due Diligence Study Group," a joint study group of eight major companies in the construction and real estate industries. Interviews were conducted with the parties involved to investigate the issue of "foreign technical intern trainees," which was one of the study group's chosen themes. Points for improvement were identified through these interviews and the company made requests to the construction companies, the prime contractors, to notify and instruct its subcontractors about them.
- From April 2020, the company included requests relating to foreign technical trainees in its quotation requirement form for suppliers. These included requests concerning employment conditions and requests that suppliers pay the foreign technical trainees the amount stated in the employment contracts. Information on this practice was shared in the above study group and the company hopes to expand it to the industry in the future.
- One of the possible impacts of the hotel business on human rights is that child labor may have been used when harvesting some of the food served. Thus, the group's hotel business has introduced a Fair Trade Certification for wine and coffee, a trade mechanism that aims to improve the lives of food producers and workers in developing countries, to provide products certified as not having been harvested through child labor.

Setting up a grievance mechanism

- As a point of contact for dealing with harassment and bribery, the company has set up a dedicated helpline for business partners, and places brochures at the reception areas of its headquarters and branches to disseminate the information.
- It also sets up a "group helpline" as a consultation and contact point relating to compliance, so that group employees, temporary employees, and part-time employees can use it. The company includes information on consultation contact point about working styles and harassment on its Intranet site.

"Human Rights Due Diligence" Practical Points: Responding to common human rights challenges in the industry (collaboration)

The company took the initiative to establish a study group in the construction and real estate industries. The company is collaborating with other companies to promote efforts to respond to industry-common human rights issues, such as "sustainable use of wood materials for mold-form concrete panels" and "foreign technical intern trainees at the construction site."

The company is making efforts to contact foreign technical intern trainees, with whom it does not have a direct employment relationship, through the construction companies that participate in the aforementioned study group. Sharing the task of interviewing foreign technical intern trainees among the companies participating in the study group makes it possible to reduce the burden on each company while at the same time enabling all the participating companies to deepen their awareness of related issues.

Through the study group, information on the efforts being made and good practices of each company is shared, which leads to the improvement of the overall level of efforts to respond to human rights challenges within the industry.

Mitsubishi UFJ Financial Group, Inc.

Company Name	Mitsubishi UFJ Financial Group, Inc. (MUFG)
Headquarters	Chiyoda-Ku, Tokyo
Year established	2001
Capital	¥2,141.5 billion
Number of employees	138,161 (as of end of March 2021)
Business Overview	Comprehensive financial service industry
Main domestic branches	Head offices of the group companies
Main overseas locations	Asia & Oceania, Americas (North & South America), Europe, Middle East & Africa
Related URL	https://www.mufig.jp/english/csr/index.html

Overview of main initiatives

- In 2018, MUFG established the MUFG Environmental Policy Statement and the MUFG Human Rights Policy Statement, as well as the [MUFG Environmental and Social Policy Framework](#), a framework for achieving environmental and social considerations under these policies. MUFG Bank, the commercial banking arm of MUFG, has been a signatory to the Equator Principles⁸ since 2005. Through implementation of these initiatives, the entire group is promoting efforts to respect human rights.
- The company implemented human rights due diligence based on the Equator Principles for loans for large-scale development projects. In addition, as a unique initiative, MUFG Bank developed a framework to evaluate the status of human rights considerations commensurate to the magnitude of the reputational risks associated with the project host country and industrial sector. Projects identified to have potential high risks will be subject to procedures for more in-depth due diligence.
- As appropriate, status of human rights considerations and establishment of grievance mechanism is confirmed in the process of considering financing.

■ Background of Initiatives on Business and Human Rights

- Under the framework of the Equator Principles, which MUFG Bank adopted in 2005, environmental and social considerations are confirmed for projects financed by the bank.
- In May 2018, the MUFG Environmental Policy Statement, the MUFG Human Rights Policy Statement, and the MUFG Environmental and Social Policy Framework were established and publicized. The MUFG Human Rights Policy Statement is based on international human rights standards and the “basic concept of human rights” under the former policy statement, which was centered on respecting the human rights of officers and employees, was revised. The new Policy Statement stipulates that officers and employees will strive to respect human rights for all people and promote respect for human rights by customers and suppliers.

■ Overview of initiatives

Commitment according to Human Rights Policy Statement

- Drawing on the knowledge of external experts, MUFG established the Human Rights Policy Statement with reference to the initiatives developed and information disclosed by leading European and American financial institutions in the human rights field. The Policy is designed to function as a set of basic principles that contribute to enabling the company to address environmental and social issues through its projects.

⁸The Equator Principles is a framework developed by private financial institutions to systematically identify, assess and manage environmental and social risks and/or impacts arising from projects, either as lenders to funds or as financial advisors, in cooperation with clients.
<https://www.mufig.jp/english/csr/environment/equator/index.html>

- The MUFG Environmental and Social Policy Framework is a framework for securing requests for human rights considerations for customers. NGOs, investors and other stakeholders are demanding that financial institutions encourage their customers to give consideration to human rights and the environment, as has been the case for companies in manufacturing industries paying due human rights consideration to their supply chains.

Implementation of human rights due diligence

- MUFG Bank confirms environmental and social considerations provided by its clients in large-scale development projects based on the Equator Principles, which the bank adopted in 2005. As appropriate, surveys and due diligence by independent environmental and social consultants and/or experts and on-site inspections are conducted as part of this review.
- MUFG Bank confirms client-provided information on environmental and social risks and/or impacts, including the status of human rights considerations and mitigation measures, based on the legislation and regulations of the countries where the project is located and on the standards adopted by international organizations such as the World Bank Group.
- In addition, as a unique initiative, MUFG Bank developed a framework to evaluate the status of human rights considerations commensurate to the magnitude of the reputational risks of the project host country and the industrial sector. Projects identified to have potential high risks will be subject to procedures for more in-depth due diligence.



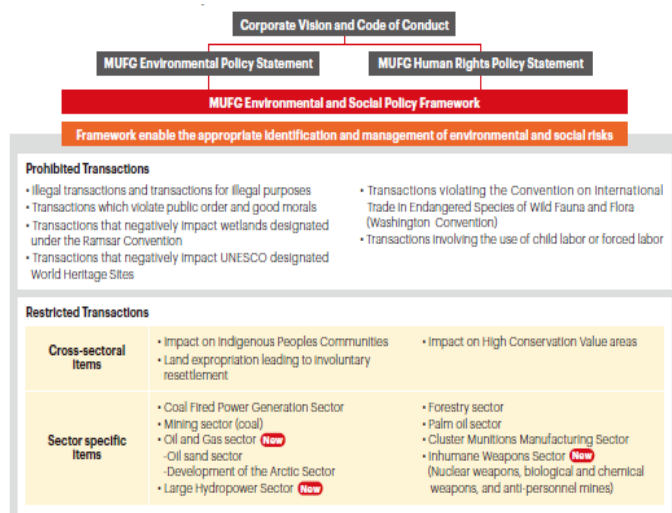
Site visit

Setting up a grievance mechanism

- The Equator Principles framework requires the signatory financial institutions to confirm whether the project proponent has developed an adequate grievance mechanism and provides the affected communities and workers with unprohibited access to the mechanism. MUFG Bank confirms the status of establishment of a grievance mechanism in relevant projects financed by the bank. Furthermore, the Environmental and Social Policy Framework defines transactions that are prohibited from financing and where financing is restricted. As appropriate, the status of human rights considerations is confirmed in the process of considering financing.

“Human Rights Policy” Practical Points: Creating a policy that responds to requests from society

Since 2005, MUFG Bank has been confirming environmental and social considerations related to large-scale development projects based on the Equator Principles. Thereafter, from the viewpoint of further strengthening the group’s overall efforts on ESG, the company made use of the knowledge accumulated through due diligence based on the Equator Principles, and deliberated on the formulation of the MUFG Human Rights Policy Statement and the MUFG Environmental and Social Policy Framework.



The MUFG Environmental and Social Policy Framework covers new finance in all countries and regions. This is the result of responding to requests from society as a financial institution, and considering what should be done to be the world’s most trusted global financial group.

Compilation of corporate case studies (Small and Medium-sized Enterprises)

answerknocks Inc.	
Company Name	answerknocks Inc.
Headquarters	Kofu City, Yamanashi Prefecture
Established	2008
Capital	¥25 million
Number of employees	16
Business Overview	Human resource service industry
Main domestic branches	Yamanashi Prefecture
Related URL	https://answerknocks.com/en/
Overview of main initiatives	
<ul style="list-style-type: none"> ➤ With a desire to respond to everyone who knocks on the door, the company was set up under the name of “answerknocks Inc.” and it started a staffing business for foreigners. Today, the company is staffed by a diverse range of people, including women, seniors, foreign nationals, and LGBT persons. ➤ The company shares its corporate philosophy with its external business partners, and by presenting its employees with a list of “10 actions that it expects of its members,” the company has fostered a culture that attracts people who agree with the company’s philosophy. ➤ Based on the corporate philosophy, the company has developed company-led nursery school and housekeeping services, not only expanding a range of diverse work styles through employment, but also providing a place to pass on diverse work styles to the next generation. 	

■ **Background of initiatives on business and human rights**

- The company name “answerknocks Inc.” means that it sets out to respond to everyone who knocks on the door, regardless of race, nationality, gender, age, disability, religion, culture, lifestyle, or sexual orientation.
- At the time of its foundation in 2008, the company was driven by a desire to address the situation of foreign nationals in Japan who were being exploited and forced to work under disadvantageous conditions because of differences in appearance or their inability to understand Japanese. The company believes that workers who come to work in Japan, where the birthrate is plummeting, are valuable human resources. Accordingly, the company started a staffing business mainly for foreigners.
- Now, social trends have changed and the number of foreign workers, including technical intern trainees, is increasing in Japanese society. The company believes that it has played a certain role in terms of employing foreign workers, and is providing human resource services mainly for women, including single mothers, seniors up to their 70s and 80s, LGBT people, and others who are willing to work, and who agree with the company’s philosophy.



■ **Overview of initiatives**

Initiative (1): Providing workplaces for those who are willing to work

- The company shares the philosophy of responding to all those who knock on its door. It makes contracts with companies that agree with its philosophy and provides staffing services. Although seniors are still physically able to work, they often do not have sufficient opportunities to work because of concerns about the risk of work-related accidents. By responding to the desires of all people who want to work, not just foreign workers, the company hopes to expand

the typical image of human resources valued in Japanese society—namely “university graduate, Japanese, male, and under 35.”

- The company believes that if a company intentionally promotes diversity, it may just attract people as opposed to achieving true inclusion. The company therefore emphasizes the importance of providing a place for employees to demonstrate their strengths and areas of expertise.

Initiative (2): Communicating the behaviors the company expects from employees and corporate philosophy

- By clearly stating the “10 actions the company expects of its employees” and the “five values of answerknocks Inc.,” the company has been able to attract people who share and agree with its philosophy from the recruitment stage.
- With regard to employees, the emphasis is not on what they can do, but on whether they have the will to do it. The idea is that by devising a way of working that allows each person to compensate for their weaknesses and focus on their strengths, it is possible to work regardless of skill level. This is the reason why the company established the “10 actions the company wants from its employees.”

Initiative (3): Activities to widen the circle of diversity

- The company not only promotes internal diversity, but also provides a place for the next generation to learn about diverse ways of working. The company encourages employees to bring their children to work with them, and there are cases where children of employees who have started school stop by the company on their way home from school to wait for their mothers to finish work. The company believes that this is one of the ways in which it can promote diversity by allowing children to see their parents at work.
- The company runs a company-led nursery school, where foreign employees also work. There is an increasing number of cases where employees are attracted to the idea of being able to experience foreign culture and leave their children at the nursery.

アンサーノックスがメンバーに求める10のアクション 10 actions expected by answer KNOCKS staff members

- 1 多様化へとシフトする社会に順応出来る柔軟な感覚を持つ
Stay flexible in the society that keeps shifting towards more diversity
- 2 新しいチャレンジや企画を考え、生み出し、実現する
Think, create and realize new challenges and ideas
- 3 与えられる業務ではなく、自ら創り出す仕事をする
Don't just complete given tasks but engage in work to create something
- 4 最低でも5カ国語であいさつが出来るようにする
Learn to greet at least in 5 different languages
- 5 人の為、社会の為、そして自分の為に仕事をする
Work for others, for society and for yourself
- 6 空気が読めるだけでなく明るい空気を作り出す
Don't just read the atmosphere but create fun atmosphere
- 7 困難をチャレンジに、失敗をチャンスに切り替えるスイッチを持つ
Have a switch to turn difficulty and failure to opportunities
- 8 相手の立場や状況、気持ちになり物事を考えられる想像力を持つ
Maintain imagination to think in other people's positions, situations and feelings
- 9 どんな小さなことにもサプライズを意識する
Keep a sense of wonder in any small details
- 10 美味しいものや楽しい遊びに興味を持つ
Be curious about something yummy and fun



Nursery School Systems

“Business and Human Rights” Practical Points: Decisive decision-making by management

Small and medium-sized enterprises have the flexibility to change their environment with a single decision by management due to the nature of small businesses.

The company has identified “clients, staff, and the community” as the three parties to which it contributes, but in considering the well-being of its employees, the company believes in particular that it should address the issues that employees face in their lifetimes. While the government guarantees nursing care and childbirth care, and other benefits, answerknocks takes the view that a company must not abandon its employees when other domestic problems arise. The company has a flexible system for accepting foreign employees, such as allowing them to return home and work remotely for a few months at a time if their parents become ill.

As the nature of capitalism changes, the company believes that future managers should be required to nurture good human resources rather than to increase its sales. This philosophy is the North Star by which the company sets the course for its management approach.

Genba Support Corporation

Company Name	Genba Support Corporation
Headquarters	Kagoshima City, Kagoshima Prefecture
Established	2005
Capital	¥16 million
Number of employees	60
Business Overview	Planning, development, sales, and support of package software and cloud services for the construction industry, as well as consulting and contracting of ancillary services
Main domestic branches	Kagoshima Prefecture, Fukuoka Prefecture
Related URL	https://www.genbasupport.com/

Overview of main initiatives

- In July 2020, the company revised its management philosophy, which was established in 2009, and renamed it as “Our Philosophy.” The company did this in the belief that it needed to change its philosophy in order to achieve a level of happiness that goes beyond satisfaction.
- In addition to employee feedback, the company is introducing systems and institutions by looking at data such as results of work engagement surveys conducted every three months.
- In line with its communication policy, the company sets out to mix good quality in-person communication with high quantity digital communication. The in-person communication includes the CEO’s study group sessions, held 80 times a year, in which employees participate at least 20 times. In terms of digital communication, all employees exchange a total of about 1,000 messages a day using the company’s business SNS.
- With the company’s belief that customer satisfaction is based on its own employees’ happiness, the company hopes to demonstrate the hypothesis that a company that values its employees should produce good results.

■ Background of Initiatives on Business and Human Rights

- While the company was in the process of growing as a venture company, its turnover rate peaked at 27% in 2009. In order to improve this situation, in 2009, the company formulated a management philosophy and started initiatives such as meetings with the CEO and a “Thank You Bulletin Board.” As a result, employee retention has improved, and as of 2020, the turnover rate of new graduates was 0% for the seven preceding years. Furthermore, the job offer decline rate stayed at 0% for 10 years and sales have also tripled in the past decade.
- It can be said that three important elements in an organization include “common purpose,” “willingness to contribute” and “communication.” “Our Philosophy” represents the common purpose, and in order to achieve this, it is necessary for the company to have good systems, institutions, ways of working, and good relationships between employees. The company believes that communication is essential to bringing all these elements together and it has promoted these three elements with good balance.

■ Overview of initiatives

Initiative (1): Establishment of “Our Philosophy”

- In July 2020, the company redesigned its corporate philosophy and named it “Our Philosophy.” The reason for the redesigning of its corporate philosophy from 2009 was that the level of employee satisfaction had remained high, and there was a debate as to whether they should continue to be simply “satisfied.” In order to go beyond satisfaction and achieve real happiness, the company believed it necessary to redesign its corporate philosophy, which is the most



Our Philosophy

important objective of the company, and the management philosophy has been revised into “Our Philosophy.”

- The text of “Our Philosophy” states that the company recognizes and respects the individuality of every single employee. The company considers this philosophy itself to be perfectly in line with the concept of human rights. The company has established a policy on diversity, which states that it does not discriminate against anyone on the basis of gender, age, disability, race, or sexual orientation. In addition, the company has established a policy on part-time employees and formulated a system in which they are given opportunities to change their employment status.

Initiative (2): Promoting working style reform based on employee feedback and data

- To prevent management from becoming complacent, the company has introduced a system for listening to employees’ opinions. It has formerly conducted an employee satisfaction survey, and lately it has been conducting a work engagement survey once every three months.
- In addition to employee feedback, the company considers data to introduce systems for employees. For example, the company has introduced a system in which employees are able to take time off by the hour. This decision was taken after considering the opinion expressed by several employees that it was more convenient to take time off by the hour, and data showing that some employees had been using up their paid holidays for childcare and other reasons.



A Brief History of Workplace Reform

Initiative (3): Combination of in-person and digital communication

- In terms of in-person communication, the CEO holds group study sessions 80 times a year for deepening understanding of the company’s “Our Philosophy.” Its employees participate in those sessions at least 20 times a year. In addition, employees have regular meetings with the CEO once every two months (odd-numbered months) and their manager once every two months (even-numbered months). Meetings to provide feedback related to bonus and salary are also held three times a year.
- In terms of digital communication, the company places great emphasis on the quantity of communication, and 60 employees exchange about 1,000 messages in total a day on the company’s business communication tool. On top of this, in order to encourage communication between employees, the company has created a “Thank You Bulletin Board” within its business communication tool and introduced a rule that employees are expected to express their gratitude to coworkers once a month and that the CEO is expected to do so every day.

“Business and Human Rights” Practical Points: Structured communication

Communication in the company has become more active than it used to be owing to increasing the number of opportunities for conversations such as the CEO’s group study sessions, meetings and evaluation feedback meetings, and making them standard. In this way, the company is creating an environment where employees can express their real intention. Furthermore, by making use of the CEO’s group study session and other opportunities, the CEO has been consistently conveying to employees the fact that every single employee in the company is a colleague who works together as part of a team. In this way, it has made it easier for employees to express their opinions and led to them taking greater initiative. This approach has also had a positive impact on recruitment, with more new graduates and mid-career candidates applying for jobs because of the company’s atmosphere.



Digital Communication