

Business and human rights in Japan: Progress and challenges of the Japanese government

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Professor Emi Sugawara from Osaka University of Economics and Law, Faculty of International Studies, discusses government's efforts to respect human rights in the supply chain

If the ultimate goal of the [business and human rights movement](#) is to realise a sustainable society in which no one's human rights are left behind, then the role of the state, along with businesses, is important. According to UN Guiding Principles on Business and Human Rights (UNGPs), states have a duty to protect human rights by creating an environment that enables businesses to respect human rights, and this environment can be created through a smart mix of policies that are consistent from the perspectives of business and human rights. Noted, so what about Japan?

CSR, SDGs and Business and Human Rights

Japanese companies have a long history of human rights initiatives, but their focus has been on eliminating discrimination in the workplace and hiring, such as human rights training to address Buraku discrimination. Corporate social responsibility (CSR) has brought about a change in this respect, and companies are now being asked to adopt social responsibility in their supply chains in accordance with international standards.

The Japanese Government has consistently treated CSR as a matter of 'voluntary efforts by companies.' Furthermore, it is only after the Sustainable Development Goals (SDGs) of 2015 that the 'business and human rights' construct – which implies companies being responsible for respecting human rights not only in the workplace and during hiring but also in all corporate activities, including the supply chain – has begun to be taken up.

The Japanese Government has set forth the formulation of the National Action Plan (NAP) in its 2016 SDGs Implementation Guiding Principles ⁽¹⁾ and has established a liaison meeting across relevant ministries and agencies, as well as a working group and an advisory committee for the NAP, consisting of stakeholders such as businesses, labour unions, and civil society organizations. The NAP ⁽²⁾ formulated in 2020 includes 85 measures, ⁽³⁾ and the Japanese Government has released a first-year ⁽⁴⁾ and a second-year ⁽⁵⁾ review report regarding their progress.

Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains

Among the policies, one that is attracting attention is the Guidelines on Respecting Human Rights in Responsible Supply Chains, ⁽⁶⁾ established in September 2022. The Japanese Government has been working to disseminate information and raise awareness through the websites and seminars of related ministries and agencies, such as the Japan External Trade Organisation (JETRO), to promote voluntary efforts by companies through guidelines. Furthermore, in April 2023, the government decided that companies should strive to respect human rights in accordance with the guidelines on public procurement. ⁽⁷⁾

In April, 'Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains' ⁽⁸⁾ was released, explaining the first steps of human rights policy formulation and human rights impact assessment of human rights due diligence and indicating the main human rights risks in ten business fields such as fisheries, chemicals, and pharmaceuticals. In addition, in May 2023, the Ministry of the Environment released a handbook on environmental due diligence, ⁽⁹⁾ and in August 2023, the Ministry of Agriculture, Forestry, and Fisheries announced the draft of a guideline on business and human rights for the food industry that it aimed to formulate within this year. ⁽¹⁰⁾

Regarding information disclosure to promote corporate initiatives, the Corporate Governance Code established by the Financial Services Agency and the Tokyo Stock Exchange was revised in 2021, ⁽¹¹⁾ with respect for human rights being one of the sustainability issues that the boards of directors address. In addition, in August 2022, the Cabinet Secretariat announced the Guidelines for Visualising Human Capital, ⁽¹²⁾ which makes disclosure of information on human capital, such as diversity, health and safety, and labour practices, mandatory from March 2023.

However, the relationship between human capital and 'respect for human rights' has not been adequately identified. In addition, in terms of fields, the Act on Promotion of Women's Participation and Advancement in the Workplace (revised in 2019) has made it mandatory to disclose information on items such as the percentage of female workers among hired workers and the percentage of women in managerial and executive positions. In addition, from July 2023, the disclosure of information on the gender pay gap will be mandatory. ⁽¹³⁾

Ensuring Corporate Responsibility within the supply chain

To promote respect for human rights in the supply chain, in addition to formulating the guidelines, JETRO has also accepted consultations regarding the guidelines and respect for human rights in the supply chain of overseas business. ⁽¹⁴⁾ In addition, with regard to overseas supply chains, the Japanese Government supports the efforts of Japanese companies through contributions to international organisations such as the ILO's 'Building Responsible Value Chains in Asia' ⁽¹⁵⁾ project in Bangladesh, Cambodia, and Vietnam for support for overseas business partners of Japanese companies, and UNDP's 'BHR Project' targeting 17 countries where Japanese companies operate. ⁽¹⁶⁾

Respect for human rights by micro and small businesses in the supply chain is an urgent issue, and it is expected that a help desk will be established to provide general and individual support.

How about creating an international framework? The Government of Japan recognises that human rights and fundamental freedoms are universal values of the international community and, based on 'dialogue' and 'cooperation', will facilitate the resolution of problems at the international level and provide necessary and possible cooperation. ⁽¹⁷⁾ As a challenge to universal human rights, the US and the EU have shown a strong interest in eliminating forced labour in supply chains and are pressing Japan to take action through bilateral ⁽¹⁸⁾ and international frameworks.

In the 2023 G7 Hiroshima Summit Leaders' Communiqué, ⁽¹⁹⁾ in addition to G7's joint efforts to eliminate forced labour, it was agreed to commit to explore ideas and options for a consensus-based legally binding instrument based on an international agreement to realise respect for human rights in the supply chain. Efforts to respect human rights in the supply chain will lead to the building of co-creative relationships between Japan and target countries. The 2023 G7 Trade Ministers' Statement ⁽²⁰⁾ also includes strengthening outreach on 'business and human rights' beyond the G7. The diverse approaches to implementing international standards on business and human rights, as well as the importance of creating synergies between inclusive growth and respect for human rights, were also confirmed at this summit.

Establishing a national human rights institution (NHRI)

Finally, with regard to access to redress, there is growing interest in establishing a national human rights institution (NHRI). Until now, there have been calls for the establishment of an NHRI, mainly by human rights NGOs, but as interest in 'business and human rights' spreads, some companies, investors, and labour unions are also requesting its establishment. One of the reasons behind this is the problem of the effectiveness of a National Contact Point (NCP) based on OECD Guidelines for Multinational Enterprises.

In Japan, the NCP was established when the OECD Guidelines were revised in 2000, but only ten of the cases it has handled so far have been made public as having completed the procedures. ⁽²¹⁾ In addition to judicial remedies, there is a strong need for the establishment of an NHRI as a non-judicial, state-based mechanism.

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Osaka University of Economics and Law

Professor Emi Sugawara leads a research project on business and human rights from the perspective of the parties concerned for improved policies