

EU-Japan Joint Webinar on Business and Human Rights

~ Towards building a more resilient supply chain ~

Co-organized by the Ministry of Economy, Trade and Industry / Delegation of the European Union to Japan / EU-Japan Centre for Industrial Cooperation

Wednesday, June 15, 2022, 16:00-17:40 Tokyo / 9:00-10:40 Brussels

(Summary by EUJC secretariate)

The webinar was started by the Moderator Tanabe, MD of the EU-Japan Center for Industrial Cooperation. And Kyoko Kashiwabara, Deputy Director-General for Business and Human Rights Policy, METI and Ulrich Weigl, the Head of Unit of Bilateral Relations in Trade and Sustainable Development in DG TRADE, European Commission gave the opening remarks.

Session 1 EU presentation

- Alexandra Kuxova, Policy Officer. DG for Internal Market, Industry, Entrepreneurship and SMEs Unit G.2, DG GROW, European Commission
- The Directive on corporate sustainability due diligence, which was proposed in February of this year, encourages responsible corporate behavior in all sectors, but while it is costly, it also has the benefit of leading to sustainable investments. It is stipulated separately for large companies and SMEs, with particular emphasis on human rights protection and environmental protection for SMEs in the textile, agriculture, and mining sectors. It also covers the entire value chain. EU member states will generally have domestic laws in place and enforced within two years.
- Miriam Geelhoed, Senior Consultant, MODINT (Dutch Trade Association for Fashion, Interior Design, Carpets and Textiles)
- MODINT is a European textile and apparel industry association with 450 member companies. MODINT has been developing DD norms in a five-year plan since 2016. We are now in the next step. The core of the new norm is to 1) hold businesses accountable, 2) identify weaknesses, 3) eliminate harmful items, 4) verify results, 5) publicize effectiveness, and 6) establish remedial measures. We



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also place great importance on dialogue with external NGOs.

- Anke Ehlers, Managing Director Corporate Responsibility for the ALDI SOUTH Group
- The company was founded 100 years ago in Germany and currently has 6,500 stores in 11 countries and employs 185,000 staff. Tips for setting guidelines in a company are to prioritize and not do too many things at the same time, to check regularly, to be consistent, to look at the entire supply chain, to evaluate the impact, and to be honest and avoid negatives. These include making public announcements, having top management take the initiative, involving the entire company, and having dialogue with stakeholders outside the company. Complying with the guidelines is challenging, but it also makes companies stronger and improves their brand image.

Session 2 Japanese presentation

- Ken Toyoda, Director, Business and Human Rights Policy Office, METI
- In October 2020, an action plan for human rights protection was published. Based on this, METI has been working to disseminate it among companies, especially through seminars for SMEs. Additionally, in cooperation with the Ministry of Foreign Affairs, we conducted a survey of Japanese companies overseas. Approximately 760 companies responded, of which 70% had a human rights protection policy, but only 50% were aware of DD and 30% had dialogue with external stakeholders. Many requests to public institutions were for explanations of international standards and methods for establishing guidelines. The government is moving forward by establishing guidelines by the end of 2022.
- Kenichi Tomiyoshi, Executive Vice President, Japan Textile Federation
- The textile industry is currently creating DD guidelines. The textile industry has been working to improve trade standards for many years, and based on this, it has established a voluntary action plan. Additionally, there were many cases of violations involving foreign technical trainees, so a council was established in 2018 to reduce the number of cases of violations, which also led to the creation of the guidelines. There are many SMEs in the textile industry, and many do not understand the meaning of DD. Although the supply chain as a whole is important,



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I think we should first focus on what one company should do.

- Mitsu Shippee, Senior General Manager, Sustainability Dept. Sony Group Corporation
 - Since 2011, Sony has been working on human rights protection in conjunction with the efforts of the United Nations. The group's standards are applied to all group companies as the highest level. As a framework, impact evaluations are created with the cooperation of external BSR, and a supplier hotline has been set up for relief and reporting, creating a mechanism for direct contact with external organizations. Information disclosure is published in the sustainability report. Regarding the supply chain, we joined the RBA in 2004 and comply with global standards. When entering into a new contract with a supply chain, the code of conduct is specified in the contract. Regarding AI development, a committee was established in 2018 to ensure responsible technology development. In 2020, a human rights assessment was established to recognize diversity in the entertainment industry.

After the presentation, there was a Q&A session on the following topics:

- What is the consistency between EU directives and the guidelines of international organizations such as the OECD, and how do they relate to the domestic laws of EU member countries?
- What is the relationship between the guidelines being developed by METI and the guidelines of international organizations?
- How are SME relief measures set up in the EU?
- If the supply chain does not cooperate, how should we move?
- How will the establishment and implementation of DD affect the macroeconomy?

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