Toward the Realization of a Diverse and Inclusive Society [Outline]

May 16, 2017

Keidanren
I. The Importance of Diversity and Inclusion

1. Revolutionary socioeconomic change

The arrival of Society 5.0 (Super-smart society)
As we move into a new era, it is essential to replace the one-size-fits-all approach to human resources and organizations that was appropriate in an earlier age of industrialization. It is important to use the creativity that comes from collaboration among diverse people with different qualities and talents to drive innovation.

Deepening Globalization
Globalization of corporate activities makes it crucial to make effective use of human resources with diverse national, religious, and cultural backgrounds. There is increasing concern for human rights issues around the world.

Living to Be 100
Falling birth rates and a declining population are coinciding with a graying society. It is more vital than ever to make optimal use of human resources without regard to age.

2020 Tokyo Olympics and Paralympics

To respond to these changes and achieve sustainable economic growth, it is essential to tap the skills and talents of a diverse range of human resources and thus boost the productivity of the entire economy and society.
1. The Importance of Diversity and Inclusion

2. Basic concept of diversity and inclusion

Diversity is open to accepting a wide range of human resources

Inclusion allows all human resources to develop and use their abilities to the maximum

Diversity and inclusion together contribute to greater vitality within companies

3. Initiatives by companies and the business community to encourage diversity and inclusion

**Companies/Business Community**

Carrying out various measures to bring about a diverse and inclusive culture within companies

**Keidanren**

- Promoting fuller participation by women (Committee on Gender Diversity)
- Supporting activities of the young and the elderly (Committee on Employment Policy)
- Working style reforms (Committee on Labor Legislation)
- Promoting the acceptance into Japan of high-quality foreign workers (Committee on Population Issues)
- Realizing a barrier-free society (Committee on Consumer Goods and Services)

Keidanren made the first recommendations in the business community to focus on LGBT people (sexual minorities) as an important factor in achieving a diverse and inclusive society, sharing correct information and awareness and promoting understanding and efforts.
II. Trends on LGBT issues and direction of recent undertakings

1. What is LGBT?

✓ LGBT stands for lesbian, gay, bisexual, and transgender. It refers to people regarded as social minorities because of their sexual orientation or gender identity.
✓ Some surveys suggest that around 7.6% of Japan’s population may fall into one of these categories. But it is often difficult to ascertain numbers unless individuals themselves choose to “come out.” We should recognize that an invisible minority exists close to our daily lives and work to achieve an LGBT-friendly society that accepts these minorities as part of wider social diversity.

2. Undertakings in Japan and other countries

<table>
<thead>
<tr>
<th>Developments in Japan</th>
<th>Developments in Japan</th>
</tr>
</thead>
</table>
| **Political parties and the parliament** | • The Liberal Democratic Party publishes paper outlining its approach to achieving a society accepting diversity of sexual orientation and identity.  
• Launch of non-partisan parliamentary group on LGBT issues. |
| **Administration** | • Clause on remarks and actions based on prejudice relating to sexual orientation or gender identification added to National Personnel Authority’s provisions on sexual harassment.  
• Ministry of Education publishes advice on preventing discrimination against LGBT children.  
• Ministry of Labour includes measures on LGBT people in sexual harassment guidelines and fundamental guidelines on equal hiring evaluations. |
| **Local governments** | • Shibuya and Setagaya district cities in Tokyo issue documentation recognizing same-sex partnerships. |
| **Non-Profit Organizations** | • NPOs including Good Aging Yells and Nijiiro (rainbow) Diversity carrying out community management and workplace improvements for LGBT people. |

<table>
<thead>
<tr>
<th>Developments around the world</th>
<th>Developments around the world</th>
</tr>
</thead>
</table>
| **Administration, parliaments, legislation** | • An EU directive introduced banning different treatment of employees for reasons of sexual orientation or gender identity.  
• Various European countries have recognized same-sex marriage and introduced legal measures to ban discrimination in the workplace.  
• In the United States, the Supreme Court has recognized same-sex marriage, essentially making it legal in all states. A number of states have banned discrimination in the workplace based on sexual orientation. |
| **International Bodies** | • United Nations Human Rights Council passes first resolution on the human rights of LGBT people.  
• Olympic Charter adopts a clause banning discrimination on the grounds of sexual orientation or gender identity. |
| **Corporations and Non-Profit Organizations** | • Advertising and distribution of products supporting messages of diversity and inclusion.  
• “Coming Out” announcements by senior managers  
• Non-profits assessing the efforts of companies with numerical data. |
II. Trends on LGBT issues and direction of recent undertakings

3. Direction of undertakings by Japanese companies

(1) Positive reasons to take steps

- To attract workers from a wider pool and encourage their retention
- To provide an environment where all workers can develop their talents and abilities to the maximum
- To send messages as forward-thinking, pro-LGBT companies and boost their brand value
- To avoid the risk of legal cases involving human rights infringements

(2) Examples of possible concrete measures

1. Include a clause in company regulations banning harassment based on sexual orientation or gender identity. (E.g., Stipulate the ban on discrimination based on sexual orientation or gender identification)

2. Revise HR systems for employees, including wider applicability of health and welfare benefits. (E.g., Make same-sex partners eligible for similar benefits as spouses [childcare, nursing care leave, etc.])

3. Arrange company training seminars (E.g., Provide training first to HR and organization managers and then to all employees)

4. Offer in-house counseling for LGBT employees (E.g., Give advice and help from specially trained counselors)

5. Provide unisex work environment, including toilets, etc. (E.g., Install accessible toilets)

6. Take greater consideration to LGBT people in hiring (E.g., Omit need to provide gender on job application forms)

7. Develop LGBT-friendly products and services (E.g., Make changes to allow employees to designate same-sex partners as recipients of insurance payments)

8. Cooperate with external LGBT events (E.g., Sponsor events organized by Work with Pride and Tokyo Rainbow Pride)
Results of Survey on Corporate Efforts on LGBT Issues

Outline of Summary

- **Period**: March 1 through 31, 2017
- **Responses**: 233 (Survey sent to 1,385 Keidanren member companies and 156 organizations)

Q1. Do companies need to make efforts on LGBT issues?

- More than 90% of companies recognize the need for efforts on LGBT issues
- Don’t know 8.2%
- No 0.4%
- Yes 91.4%

Q2. If yes, select all the measures you think companies should undertake

- Innovation creation and improved productivity based on diversity: 81.1%
- Measures to deal with legal risk: 63.1%
- Increasing company’s attractiveness to potential employees: 60.5%
- Improving company’s image in society: 56.7%
- Other: 21.5%

Q3. Is your company currently undertaking LGBT measures?

- No plans: 23.2%
- Under consideration: 34.3%
- Yes: 42.1%

Three-fourths of companies are already carrying out or planning to start measures on LGBT issues
Q4. (If you answered “Yes” or “Under consideration” to Q3) Select all that apply.

- Arrange company training seminars: 91.8%
- Offer In-house counseling for LGBT employees: 82.8%
- Take greater consideration to LGBT people in hiring: 65.7%
- Provide unisex work environment, including toilets, etc.: 52.2%
- Revise HR systems for employees: 32.8%
- Other: 29.9%
- Cooperate with external LGBT events: 23.9%
- Develop LGBT-friendly products and services: 17.9%

* A list of concrete measures being taken by companies along with company names can be viewed on the Keidanren website:
  http://www.keidanren.or.jp/policy/2017/039.html