

**Promotion of Management That Respects  
Human Rights:  
Keidanren's Position and Expectations  
of Government regarding Business and Human Rights**

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## 1. Introduction

The Universal Declaration of Human Rights states that all people are born with fundamental human rights. Also, in the international community, it is considered a universal value that everyone has fundamental human rights and they must be protected.

Previously, it was the state that was responsible for the protection of human rights. However, as economic globalization brought a rise in cross-border business activity, social awareness of businesses' impact on human rights heightened. This resulted in a growing recognition that companies, as well as states, are actors that should be involved in respecting human rights, leading to an active international discussion on corporate human rights responsibilities. In light of these developments, in 2011 the United Nations (UN) Human Rights Council endorsed the Guiding Principles on Business and Human Rights<sup>1</sup> (the "Guiding Principles"), a document aimed at translating a 2008 report by Harvard University Professor John Ruggie into concrete action. Entitled "Protect, Respect and Remedy: A Framework for Business and Human Rights," the report was compiled after consultations with multiple stakeholders, following a request from then-UN Secretary-General Kofi Annan to conceptualize the relationship between states, multinational corporations, and human rights. The Guiding Principles establish three pillars—the state duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy—and require companies to conduct human rights due diligence (DD). In response to this, the Japanese government formulated the National Action Plan on Business and Human Rights (NAP)<sup>2</sup> in 2020.

Against this backdrop, as part of the fifth revision of its Charter of Corporate Behavior in 2017, Keidanren inserted a new Article 4, which calls for companies to conduct business that respects the human rights of all persons. Then, in 2021, we revised and enhanced "Chapter 4: Respect for Human Rights" in our Implementation Guidance on Charter of Corporate Behavior<sup>3</sup> and formulated a new practical guide, the Handbook for Management That Respects Human Rights.<sup>4</sup> In these and other ways, we have worked to familiarize member companies with the Guiding Principles and promote the practice of human rights DD, encouraging member companies to make voluntary efforts to incorporate respect for human rights into their management. As a result, companies have been making progress in implementing human rights DD, especially in their dealings with customers and employees, as well as in their supply chains.

As Keidanren argued in its policy proposal "Promotion of Management That

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<sup>1</sup> [https://www.ohchr.org/sites/default/files/Documents/Issues/Business/A-HRC-17-31\\_AEV.pdf](https://www.ohchr.org/sites/default/files/Documents/Issues/Business/A-HRC-17-31_AEV.pdf)

<sup>2</sup> <https://www.mofa.go.jp/files/100173319.pdf>

<sup>3</sup> <https://www.keidanren.or.jp/policy/cgcb/tebiki8-04.pdf> (in Japanese)

<sup>4</sup> <https://www.keidanren.or.jp/policy/cgcb/2021handbook.pdf> (in Japanese)

Respects Human Rights and Opinion on Japan’s Action Plan” in November 2019<sup>5</sup>—when the Japanese government was formulating the NAP—executives need to make strict opposition to human rights abuses a given in their businesses, regard respect for human rights as part of their management strategies, and thereby achieve sustainable increases in corporate value. Respect for human rights is a fundamental principle of sustainable management, and advancing the business and human rights initiative is essential for companies to improve their international competitiveness.

Meanwhile, the situation internationally is such that, in addition to human life and dignity being threatened, there are also some expressions of doubt and backlash against human rights efforts for “going too far,” particularly with regard to respect for diversity. However, as respect for human rights is essential in all times and places and requires constant improvement, we must not pause. It is necessary for the Japanese government to set a clear policy and for all stakeholders, including the business community, to continue to work together as one. Human rights issues exist in diverse forms, both in Japan and overseas, and many have complex, intertwined causes that cannot be resolved by a single company or stakeholder. To achieve fundamental solutions, it is essential for companies to work actively with the government, public agencies, international organizations, labor unions, consumers, civil society such as nongovernmental organizations (NGOs) and nonprofits, and other stakeholders.

The Japanese government is currently deliberating a revision of the NAP, to be completed by the end of 2025. The revised NAP is expected to include the government’s position on and approach to diverse human rights issues. In this context, building on the human rights initiatives taken to date, we as the business community once again set out the basic stance and future initiatives companies should take in working toward management that respects human rights. In addition, we present the Japanese government’s initiatives that we hope will be included in the revised NAP to enhance the effectiveness of future corporate initiatives and to resolve structural and other issues that are difficult for companies to address on their own.

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<sup>5</sup> [https://www.keidanren.or.jp/policy/2019/095\\_honbun.pdf](https://www.keidanren.or.jp/policy/2019/095_honbun.pdf) (in Japanese)

## 2. Basic Stance

As stated above, Keidanren has taken the lead in encouraging companies to respect human rights in a number of forms, resulting in a steady increase in voluntary efforts by companies. Of the companies that responded to the Third Questionnaire Survey on the Implementation of Keidanren's Charter of Corporate Behavior (the "Keidanren Survey"), the results of which were released in January 2024, 76% stated that they are proceeding with initiatives in accordance with the Guiding Principles. This is more than double the number who gave that response to the same question in the 2020 survey (36%), about three years earlier. It reveals a growing awareness among companies of the diverse human rights risks faced by a wide range of rights-holders.

With so many different rights-holders, there is no universal solution to diverse human rights risks, and companies must face each case head-on to resolve the substantive issue intelligently and in accordance with the Guiding Principles. There is a concern that legislating for a formal, uniform response may lead companies to take a one-size-fits-all, check-the-box approach, blocking the way to true resolution of human rights issues.

Therefore, corporate efforts to respect human rights should fundamentally remain voluntary and in accordance with the Guiding Principles. Companies should continue to conduct management that respects human rights by strengthening internal governance based on an understanding of the Guiding Principles and other international human rights norms, the background to these principles and norms, and the actual conditions and root causes of human rights abuses. To this end, companies should strive to develop personnel who possess the necessary skills for engagement and collaboration with stakeholders and who can promote responses that are in line with established international codes of conduct and that also take into account the laws and human rights DD regulations of Japan and elsewhere. By strengthening cooperation among relevant internal departments, companies should improve the effectiveness and efficiency of their prevention, mitigation, and correction of human rights abuses, instilling a culture of respect for human rights. For issues that cannot be addressed by companies acting alone, they should seek solutions through cooperation and collaboration within the industry and with various stakeholders.

At the same time, the more efforts companies make to respect human rights, the more difficulties they encounter, such as challenges in visualizing supply chains or collecting accurate and timely information, and heightened awareness of complex problems that neither one company nor the corporate sector can resolve alone. In view of that, we urge the government to lend a careful ear to the challenges companies face and the requirements they have, and offer more measures to support companies' voluntary efforts based on their creativity and ingenuity in a way that meets corporate needs.

### 3. Challenges and Initiatives for Management That Respects Human Rights

This section describes the challenges faced in promoting management that respects human rights, divided into the following six categories: **(1) expand support for human rights DD, (2) promote information disclosure with consideration for the burden on companies, (3) enhance access to remedy, (4) increase engagement with diverse stakeholders, (5) foster international harmonization, and (6) build even stronger cooperation among relevant ministries and agencies.** We also outline the initiatives required for companies to address these challenges and for the Japanese government to support such corporate activities.

#### (1) Expand support for human rights DD

##### (i) Create and update government guidelines

##### (a) Current status and issues

In recent years, Europe and the United States have been enacting hard laws on human rights, the prime examples being the European Union (EU)'s Corporate Sustainability Due Diligence Directive (CSDDD),<sup>6</sup> DD laws in individual European states, and the Uyghur Forced Labor Prevention Act in the United States. These hard laws differ in the content of the DD they require, and also diverge from the Guiding Principles, the soft law that functions as a universal norm, in that they impose legal sanctions for breaches, including administrative penalties and civil liability.

Many Japanese companies make use of the guidelines and practical reference materials<sup>7</sup> on human rights DD prepared and published by the government. However, the human rights risks and focus points that companies need to consider vary by industry and supply chain structure, leaving areas that cannot be addressed by generic guidelines.

There have also been assertions to the effect that these guidelines and practical reference materials are of limited use to recruitment and personnel managers in manufacturing and other worksites, who are at the forefront of striving to fundamentally solve human rights issues.

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<sup>6</sup> However, in February 2025, the European Commission proposed an Omnibus package aimed at simplifying and streamlining regulations and obligations (for details, see “(i) Work to influence the European Commission” in “(5) Foster international harmonization” below).

<sup>7</sup> For example, the Guidelines for Respecting Human Rights in Responsible Supply Chains, formulated in September 2022 (<https://www.meti.go.jp/press/2022/09/20220913003/20220913003-a.pdf> [in Japanese]); Practical Reference Materials for Respecting Human Rights in Responsible Supply Chains, published in April 2023 (<https://www.meti.go.jp/press/2023/04/20230404002/20230404002-1.pdf> [in Japanese]); and the Business and Human Rights at Work Checklist published in October 2024 by the Ministry of Health, Labour and Welfare in collaboration with the International Labour Organization (ILO) (<https://www.mhlw.go.jp/content/10500000/001511269.pdf>).

(b) Required initiatives

Companies' initiatives

While industry-specific guidelines are generally considered effective, different industries and business categories require different guidelines, or none at all. Individual industry associations should therefore be central to the development and continued enhancement of guidelines with the scope and methodology necessary for their industry, based on that industry's voluntary judgment.

Compiling and publishing best practices and case studies at the level of individual companies and industries, including specific processes and challenges that led to solutions or improvements, would be another effective means to improve the quality of efforts made by the business community overall.

Government initiatives sought

**We urge the government to regularly update the Guidelines for Respecting Human Rights in Responsible Supply Chains.** We also request that the government **establish new guidelines for companies to refer to when conducting follow-up surveys** as part of human rights DD. Additionally, we call for the **expansion of available information**, including explanations of individual human rights issues and circumstances under which such issues may arise, and examples of measures to prevent or correct them. Guidelines should preferably be prepared or updated to include minimum standards to be followed<sup>8</sup> and best practices for reference, presented separately so that recruitment and personnel managers at manufacturing and other worksites can apply them effectively.

The government should also provide assistance to industry associations in preparing guidelines, for instance by checking whether they are in accordance with international standards. In addition, clear procedures and standards regarding human rights requirements in public procurement would serve as a reference for industry associations when preparing guidelines.

(ii) Establish government human rights DD help desks

(a) Current status and issues

Utilizing third-party consultants and other outside experts is an unavoidable part of human rights DD, especially in the initial stages, due to the conceptual difficulty of the Guiding Principles, the high degree of specialization, and the need for objectivity. The resulting consultant fees and staff hiring and training costs have become a major burden for companies.

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<sup>8</sup> Minimum standards to be followed could be in the form of simple yes-no questions that can be added to a survey questionnaire.

(b) Required initiatives

Government initiatives sought

**Government help desks should be established in Japan and internationally to provide free advice to companies implementing human rights DD initiatives. In doing so, we recommend making use of the Japan External Trade Organization (JETRO), which has a wealth of knowledge and can be expected to respond quickly, as one such organization.** In addition, we request that the content of the queries received and advice given be made public to the extent possible.

The Japan International Cooperation Agency (JICA) has been implementing development cooperation projects and accumulating knowledge while giving consideration to the environment and society based on its Guidelines for Environmental and Social Considerations. We urge JETRO to collaborate with JICA and other related organizations, depending on the nature of the query received.

(iii) Build capacity of SMEs

(a) Current status and issues

In the Keidanren Survey, a large percentage of companies with 499 employees or fewer indicated that they either have not started initiatives in keeping with the Guiding Principles or do not understand their content. In addition to not making progress in implementing initiatives based on the Guiding Principles, small and medium-sized enterprises (SMEs) lack the human resources and capacity to implement them in the first place.

(b) Required initiatives

Companies' initiatives

In order to respect human rights throughout the supply chain, large companies need to work with their SME partners to help them understand and implement human rights DD. For example, they could request participation in in-house training programs or share training manuals.

Government initiatives sought

**Training for SMEs on basic concepts and knowledge related to business and human rights would be more efficient and effective if it were comprehensively integrated into the management support programs that the government already offers to a wide range of SMEs. Thus, the government should as a rule take the lead in capacity building for SMEs.** Examples of specific initiatives could include raising awareness among top management, clarifying minimum requirements through the creation of a human rights DD checklist for SMEs, developing incentives, compiling a collection of



best practices and case studies, and centralizing information.

It is also necessary for relevant ministries and agencies to provide more information so as to instill the understanding that human rights DD is a means to fulfill the responsibility to respect human rights, not an end in itself.

Moreover, we encourage the government to focus on working with associations of SME executives, in parallel with industry associations mainly representing larger companies, in order to incorporate SMEs' opinions into its efforts to promote capacity-building.

(iv) Support more effective and efficient human rights DD in the supply chain

(a) Current status and issues

Conducting human rights DD requires suppliers to answer a questionnaire that is specific to each business partner and requires buyers to send out questionnaires to and analyze the answers from an enormous number of suppliers. The longer the supply chain, or the value chain under the EU requirements,<sup>9</sup> the greater the burden on both suppliers and buyers.

In addition, although laws such as the EU's Battery Regulation require traceability in the supply chain, there is currently no system that allows companies to collect the necessary data while protecting suppliers' trade secrets, making compliance difficult.

(b) Required initiatives

Companies' initiatives

First, in accordance with the Guiding Principles, companies should as a rule prioritize and address human rights issues in supply chains according to the severity and likelihood of adverse impacts on human rights. Then, they should consider using private sector-led platforms or industry association-led frameworks to reduce the human rights DD burden.

Government initiatives sought

**We ask that the government take action to reduce the burden on both suppliers and buyers**, such as providing model questions or a standard questionnaire for suppliers, developing a platform that enables DD information to be shared with the necessary people and within the necessary scope, and establishing a system that enables supply chain DD to be conducted while protecting suppliers' trade secrets.<sup>10</sup>

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<sup>9</sup> Companies subject to the CSDDD are required to identify and address negative human rights and environmental impacts in not only their own and their subsidiaries' operations, but also those of their business partners in the value chain.

<sup>10</sup> An example of this is the Ouranos Ecosystem, a public-private partnership that aims to build a mechanism for data collaboration across companies, industries, and national borders.  
([https://www.meti.go.jp/english/policy/mono\\_info\\_service/connected\\_industries/ouranos.html](https://www.meti.go.jp/english/policy/mono_info_service/connected_industries/ouranos.html))

## (2) Promote information disclosure with consideration for the burden on companies

### (a) Current status and issues

Some countries and regions have laws or regulations in place that require disclosure of human rights DD information, the prime examples of which are the EU's Corporate Sustainability Reporting Directive (CSRD),<sup>11</sup> the United Kingdom's Modern Slavery Act 2015, and the California Transparency in Supply Chains Act of 2010 in the United States.

In addition to these, there are several concurrent initiatives that call for disclosure of human rights-related information, such as the inclusion of human rights and investment in people as potential agenda items of the International Sustainability Standards Board (ISSB), and the launch of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) in September 2024 to begin discussions on sustainability disclosure, including human rights. There is a concern, however, that unless consistency and harmonization between different standards and specifications are ensured, companies may face ever-increasing costs of compliance and a resultant decline in competitiveness.

### (b) Required initiatives

#### Companies' initiatives

Companies are committed to keeping abreast of various countries' and regions' disclosure regulations on human rights DD, along with the discussions of the ISSB, TISFD, and the like, and making policy proposals based on practical experience from their own perspective as the main actors in practice.

They should also appropriately disclose their efforts to identify and address adverse impacts, the effects of those efforts, and so forth in their public communications including sustainability reports and integrated reports and on their websites. That disclosure should give consideration to the people who have been or may be adversely impacted, as well as to the preservation of commercial confidentiality.

#### Government initiatives sought

In promoting disclosure policies regarding corporate respect for human rights, the government should aim for consistency and harmonization with international standards, and take into account the reality of the rapidly increasing burden of sustainability information disclosure on companies.

With discussions regarding sustainability disclosure regulations and DD regulations proceeding in parallel around the world, **we ask that the Japanese government engage in policy dialogues with governments implementing the many overseas initiatives to**

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<sup>11</sup> However, in February 2025, the European Commission proposed an Omnibus package aimed at simplifying and streamlining regulations and obligations (for details, see "(i) Work to influence the European Commission" in "(5) Foster international harmonization" below).

**ensure interoperability. In doing so, it should** take into account the differences in views on respect for human rights in each country and region, and **encourage governments to avoid additional compliance burdens on companies.**

### (3) Enhance access to remedy

#### (a) Current status and issues

The Guiding Principles call for ensuring access to effective remedy as one way of responding to human rights abuses that are caused or contributed to by corporate activities. However, it has been pointed out that due to a lack of resources and experience, companies' approach to grievance mechanisms remains ineffective. The establishment of mechanisms available to all stakeholders can be a significant challenge, particularly in the case of human rights issues in a supply chain that includes overseas suppliers.

#### (b) Required initiatives

##### Companies' initiatives

Companies should increase the effectiveness of internal grievance mechanisms by interacting with stakeholders to ensure especially that it is safe and easy to place complaints, that the parties receive a full explanation, that information is disclosed to the public, and that periodic reviews and improvements are implemented.

If it is difficult for a company to establish an effective mechanism on its own, it should make use of external platforms such as JaCER and JP-MIRAI.<sup>12</sup>

##### Government initiatives sought

The government should organize and provide information on the existing alternative dispute resolution (ADR) procedures available for specific human rights abuses. Also, multilingual help desks should be set up to make this service more accessible to non-Japanese users.

In addition, **publicity should be given to the use of Japan's National Contact Point for Responsible Business Conduct (NCP),<sup>13</sup> which has been established by the government in accordance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.<sup>14</sup>**

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<sup>12</sup> JaCER, or Japan Center for Engagement and Remedy on Business and Human Rights, is an organization that provides the Engagement and Remedy Platform, a nonjudicial grievance mechanism in compliance with the Guiding Principles, with the aim of helping and facilitating its member companies' grievance handling from a professional standpoint. JP-MIRAI, or Japan Platform for Migrant Workers towards Responsible and Inclusive Society, is a platform that aims to make Japan the country of choice by protecting the rights of foreign workers in Japan, improving their living and working environments, and thereby engaging foreign workers responsibly.

<sup>13</sup> Contact points that serve as a nonjudicial grievance mechanism, established to disseminate the OECD Guidelines for Multinational Enterprises and to assist in handling inquiries and resolving issues related to the Guidelines.

<sup>14</sup> <https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/06/oecd-guidelines-for-multinational->

#### (4) Increase engagement with diverse stakeholders

##### (a) Current status and issues

In order to ensure fair and objective procedures, and take more effective measures, in addressing human rights issues including human rights DD and pursuing initiatives to respect human rights, it is necessary to engage with diverse stakeholders, especially rights-holders who have been victim to, or are at risk of, human rights abuses. However, some companies do not have sufficient experience in engaging with diverse stakeholders, including local communities and NGOs, either in Japan or internationally, or may not have the expertise to achieve meaningful engagement with rights-holders as required by the Guiding Principles.

Furthermore, even if a company strives for open and sincere engagement with its stakeholders, some individuals and groups make unreasonable or excessive demands on the company, making it difficult to engage constructively. While there is government support for dealing with such individuals and groups in Japan in the form of guides,<sup>15</sup> help desks, and so forth, there is no government support for handling similar groups outside of Japan.

##### (b) Required initiatives

###### Companies' initiatives

Companies should accumulate experience through proactive engagement with diverse stakeholders, particularly rights-holders, and develop the dialogue into a two-way, ongoing engagement that can lead to true resolution of issues, rather than a perfunctory exchange.

###### Government initiatives sought

**We call on the government to promote engagement that will facilitate true resolution of issues, such as by publishing a collection of case studies that summarize what human rights issues have been discussed with which rights-holders and developing other tools.**

One good way to promote engagement would be to utilize neutral and trustworthy organizations, or train experts, that can play a facilitator role for situations where direct engagement between companies and stakeholders is more challenging.

We also urge the government to enhance its guidance, help desks, and other support for dealing with individuals and groups with whom constructive engagement is difficult,

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[enterprises-on-responsible-business-conduct\\_a0b49990/81f92357-en.pdf](https://www.mhlw.go.jp/content/001361670.pdf)

<sup>15</sup> For example, the guide for dealing with the unjust demands of fake antidiscrimination groups, prepared by the Human Rights Bureau of the Ministry of Justice (<https://www.moj.go.jp/content/001361670.pdf> [in Japanese]), and the Corporate Manual on Measures Against Customer Harassment prepared by the Ministry of Health, Labour and Welfare (<https://www.mhlw.go.jp/content/11900000/000915233.pdf> [in Japanese]).

both in Japan and overseas.

The government's Roundtable for Promoting the National Action Plan on Business and Human Rights (the "Roundtable") and Working Group on the NAP on Business and Human Rights (the "Working Group") are important multi-stakeholder forums for engagement on the NAP. The government should continue to improve operation of these forums to facilitate constructive engagement and wisdom-sharing on how to create better policies.

## (5) Foster international harmonization

### (i) Work to influence the European Commission

#### (a) Current status and issues

In the EU, the CSDDD, a directive to govern human rights DD, entered into force in July 2024 with phased-in application intended to begin in July 2027, and the CSRD, a directive to govern nonfinancial reporting, entered into force in January 2023 with phased-in application intended to begin in the 2024 financial year. Japanese companies subject to these directives have been struggling to prepare in the dark without sufficient time and detailed guidance.

However, with changes in the environment surrounding the EU, it has clearly indicated a policy shift toward simplifying regulations with a view to increasing corporate value and competitiveness. For example, the EU announced an Omnibus package in February 2025 to streamline and simplify the overlapping parts of the EU Taxonomy, CSRD, and CSDDD in order to improve industrial competitiveness.<sup>16</sup> This followed the publication of the Draghi Report, aimed at improving EU competitiveness, and of the Competitiveness Compass roadmap for improving the competitiveness of industries in the EU based on that report.

#### (b) Required initiatives

##### Companies' initiatives

At this point, details of what is required of companies in Europe will not be known until the Omnibus package has been debated, the guidelines published, and member state

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<sup>16</sup> Announced by the European Commission on February 25, 2025, the Omnibus package proposed to postpone the CSRD's implementation by two years and to relax the criteria for companies subject to its reporting obligations, which would reduce the number of such companies to one-fifth. Regarding the CSDDD, the package proposed that companies be exempted from the obligation to conduct detailed DD for adverse impacts that have arisen or may arise at indirect partners, and be required to conduct full DD only if a company has plausible information indicating that adverse impacts have arisen or may arise in the value chain beyond its direct partners. It also proposed that the start of the CSDDD's application, previously slated for July 2027 for the earliest companies, be postponed by one year, that the frequency of DD be reduced from once per year to once every five years, and that guidelines be published two years prior to the start of application.

In April 2025, the postponement of the application dates for the CSRD and CSDDD was approved. EU member states have until the end of July 2027 to convert these directives into national legislation.

legislation enacted. Therefore, companies should closely monitor the status of the CSRD and CSDDD review discussions, and proceed steadily and systematically with initiatives to respect human rights in accordance with the Guiding Principles. On the other hand, if the EU debate does not take into account the reality faced by companies and the content is of questionable effectiveness or unnecessarily increases the burden on companies, we will work on influencing EU policy through BusinessEurope, the Japanese Business Council in Europe (JBCE), and other business organizations in the EU, as appropriate.

#### Government initiatives sought

**With regard to the CSDDD and CSRD in particular, we ask that the government engage in a policy dialogue with the European Commission to encourage it to harmonize obligations across the EU, ensure interoperability with international standards such as those of the ISSB, publish guidelines at least two years before the CSDDD becomes applicable, and take other necessary action.** The information obtained through this process should also be shared with Japanese companies as appropriate.

Although JETRO issues Japanese translations of DD laws and regulations, this sometimes happens too late to be useful to companies—for example, the Japanese translation of the most recent DD act in Germany was published approximately one year after promulgation. We call on the government to provide Japanese translations of the CSRD, CSDDD, member state laws derived from those directives, and other laws and regulations based on the government’s unified interpretation, in time for Japanese companies to comply.

#### (ii) Support developing countries

##### (a) Current status and issues

Some developing countries where Japanese companies operate or procure supplies have problems such as inadequate legal systems to guarantee human rights, an insufficient number of enforcement officials who also lack skills, corruption, and collusion. Problems like these cannot be resolved by one company alone.

##### (b) Required initiatives

#### Companies’ initiatives

In ILO projects, Japanese companies are cooperating with suppliers in developing Asian countries on capacity building for occupational health and safety, human resource development, and other skills. Companies should further promote cooperation in these sustained efforts, including similar programs implemented by the Organisation for Economic Co-operation and Development (OECD), United Nations Development

Programme (UNDP), and the like.

#### Government initiatives sought

The government should cooperate with international organizations such as the ILO, OECD, and UNDP, and maintain close coordination among ministries and agencies, to provide assistance to developing countries that only government can provide—for example, drafting NAPs, developing legal systems including labor and environmental laws, and providing education within supply chains.

#### (iii) Handle conflict-affected countries appropriately

##### (a) Current status and issues

Numerous protracted conflicts exist around the world, most notably in Russia and Ukraine, the Middle East, and Asia. There are several areas of potential conflict in East Asia as well.

##### (b) Required initiatives

#### Companies' initiatives

Companies operating in potential conflict areas should continue to conduct heightened human rights DD<sup>17</sup> even in peacetime, in light of the high risk of serious human rights abuses.

In addition, those companies should prepare an exit plan in advance for determining such matters as whether to exit in the event of an actual conflict and how to mitigate the adverse impact on the human rights of local employees and other rights-holders, so that any decision to exit results in a responsible exit.

#### Government initiatives sought

**We encourage the government to consider a foreign policy that does not contribute to human rights abuses in conflict-affected countries and potential conflict areas, but helps to improve them.**

**We also request the government to develop guidelines that will be useful for companies conducting heightened human rights DD in practice.** The content of the guidelines should preferably be such that companies can appropriately recognize situations that require heightened human rights DD and understand how to respond on a case-by-case basis using a decision tree.

In particular, if a company needs heightened human rights DD, government help

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<sup>17</sup> Regarding heightened human rights DD, refer to the UNDP's guidelines titled "Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide" (<https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>). It describes heightened human rights DD as ensuring that the company's activities do not contribute to violence in a conflict-affected context, by identifying flash points, potential triggers, or the forces that are driving the conflict.

desks should provide assistance to facilitate meaningful engagement with rights-holders, their spokespeople, and other stakeholders.

(6) Build even stronger cooperation among relevant ministries and agencies

(a) Current status and issues

Although the current NAP purports to promote stronger cooperation among relevant ministries and agencies, cooperation within the Japanese government remains inadequate. For example, the EU has made it a standard practice to treat human rights issues and environmental issues in an integrated manner based on their nature, while in Japan these issues have not been incorporated into policy in a form that transcends the boundaries between ministries. This results in insufficient cooperation among ministries and agencies, exemplified by the separate guidelines for human rights DD and environmental DD established by the Ministry of the Environment; the Ministry of Economy, Trade and Industry; and the Ministry of Foreign Affairs.

(b) Required initiatives

Government initiatives sought

**It is important to further enhance cooperation among relevant ministries and agencies beyond their respective jurisdictions, for example by developing integrated guidelines for conducting combined human rights and environmental DD** to address the environment and human rights together as a new perspective on human rights issues. Cooperation could also be enhanced by exploring and explaining domestic and foreign regulations on artificial intelligence (AI) ethics from a human rights perspective to ensure consistency between ethics regulations and AI utilization policies. This cooperation should be reflected in the revised NAP—specifically in the section concerning AI, technology, and human rights, and the section concerning the environment and human rights, both of which are included as new human rights challenges in the draft revision of the NAP.



## 4. Conclusion

Efforts to respect human rights are a task without end, and companies must fulfill their responsibility to respect human rights at a higher level. Such actions will improve the sustainability of society while also strengthening trust with customers and facilitating talent acquisition, ultimately giving companies a stronger competitive edge.

We urge the Japanese government to incorporate the suggestions herein into the revised NAP and implement them, and to take the lead in fulfilling the state's obligation of protecting human rights as recommended in the March 2024 stakeholder report on the third year review of the NAP.<sup>18</sup> In addition, as human rights issues become more high-profile every year, efforts should be focused on improving the public's understanding and awareness, which remain insufficient. The government is also called upon to encourage public-private partnerships, as well as the participation of a wider range of stakeholders, in those areas that cannot be addressed by the corporate sector alone, while assisting with corporate initiatives.

As part of this, **the roles of the Roundtable and the Working Group, and other methods of stakeholder involvement in the implementation and monitoring of future NAPs, should be specifically outlined in the revised NAP** to ensure that the NAP is formulated, implemented, and monitored with stakeholder involvement as required by the UN.<sup>19</sup>

In conjunction with these government actions, companies and the business community must proactively conduct management that respects human rights in accordance with the Guiding Principles, while engaging and collaborating with stakeholders. To this end, companies should increase management commitment and strengthen efforts to raise internal awareness. Companies and the business community are also committed to promoting human rights DD initiatives and timely disclosure of information with an awareness of international trends, and to continuing to offer their opinions on the policies of Japan and other countries from a practitioner's perspective.

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<sup>18</sup> Report compiled by the Working Group (<https://www.mofa.go.jp/mofaj/files/100660230.pdf> [in Japanese]).

<sup>19</sup> Guidance on National Action Plans on Business and Human Rights by the UN Working Group on Business and Human Rights ([https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNWG\\_NAPGuidance.pdf](https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNWG_NAPGuidance.pdf)).