

KohDoh Feature

# Business and Human Rights

What it takes to evolve into a human-oriented company of great value to society

On October 3 (Tue.), 2017, a voluntary seminar and dialogue on business and human rights were held at the Mandom Group's head office in Osaka with invited outside experts on global human rights and corporate initiatives.



The event addressed the following CSR Material Issues of the Mandom Group, along with international standards of conduct for a transnational corporation, and efforts that we can undertake both in Japan and in other countries to achieve international sustainability, primarily using the framework outlined below.

### Mandom Group's CSR Material Issues (Ver. 2)

- [Issue No. 02]** Promoting corporate philosophy/culture and compliance
- [Issue No. 03]** Continuous investment in education on human rights
- [Issue No. 10]** Building and implementing CSR procurement system
- [Issue No. 13]** Detecting and contributing to new social paradigms
- [Issue No. 14]** Co-creating value with society



### 10 Principles of the UN Global Compact (Areas: Human rights/Labour)

- [Principle 1]** Businesses should support and respect the protection of internationally proclaimed human rights
- [Principle 2]** Businesses should make sure that they are not complicit in human rights abuses
- [Principle 3]** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- [Principle 4]** Businesses should uphold the elimination of all forms of forced and compulsory labour
- [Principle 5]** Businesses should uphold the effective abolition of child labour



### Sustainable Development Goals (SDGs)

- [Goal 8]** Decent work and economic growth
- [Goal 10]** Reduced inequalities
- [Goal 12]** Responsible consumption and production
- [Goal 16]** Peace, justice and strong institutions
- [Goal 17]** Partnerships for the goals



### Corporate Governance Code

- [General Principle 2]** Appropriate cooperation with stakeholders other than shareholders

Reference: Mandom website CSR Information > CSR Material Issues Connection to SDGs  
 Reference: The Ten Principles of the UN Global Compact via Global Compact Network  
 Reference: United Nations Information Centre > What Are the Sustainable Development Goals (SDGs)?  
 Reference: Japan Exchange Group > Japan's Corporate Governance Code

### About the Voluntary Seminar

A talk titled Business and Human Rights was given by invited speaker Yoko Doi from internationally-active Amnesty International Japan, the non-profit human rights organization, to approximately 120 employees at the head office. Up to this point, discrimination and harassment in the workplace has been central to our in-house training and compliance education, but these are only subsections of human rights issues. In June 2011, the United Nations endorsed the Guiding Principles on Business and Human Rights as the first global standard on business practices that relate to human rights. Going forward, transnational corporations will be increasingly scrutinized on a range of fronts for how they deal with issues linked to business and human rights. In the United States, the California Transparency in Supply Chains Act was enacted in 2012, and in the UK, the Modern Slavery Act went into effect in March 2015. The latter requires that corporations doing business in the United Kingdom post on their website their human rights policy, along with a declaration by its top executives. It also requires disclosures of human rights measures being taken at all stages of business (including throughout the supply chain), along with annual updates on the progress of those efforts. Other countries are starting to adopt similar regulations, and pioneering transnational corporations are examining their work environments and whether or not human rights infringements are occurring at the plants, farms, or production sites of their overseas subcontractors in Southeast Asia and elsewhere from which raw materials are procured. The firms are then publicly disclosing the results, their policy, and efforts they are making to redress or remedy human rights violations.

In April 2017, the International Organization for Standardization (ISO) announced ISO 20400, a new international standard on sustainable procurement (also called CSR procurement or responsible procurement). The new standard includes human rights and environmental considerations. There is also the Consumer Goods Forum, the largest organization that brings together manufacturers of food, cosmetics, and daily consumer goods with retailers globally, as well as other NGOs and research organizations working internationally to raise awareness of the necessity of human rights efforts that reach all the way up the supply chain.

The areas in which the Mandom Group does business are not excluded from this global social trend. Action is both expected and demanded of global corporations to remedy human rights infringements in the supply chain (such as measures to avoid human rights violations, as well as effective bans and redress systems). In our areas of business, such issues have been reported

#### Lecturer: Yoko Doi

Fundraising Dept. AMNESTY INTERNATIONAL JAPAN



After graduating from university, Doi went to work for an organization affiliated with the Ministry of Economy, Trade and Industry, which promoted technology transfers from Japan to Thailand. She was in charge of study tours of trainee groups from Thailand to visit Japanese companies. During her employment, she joined the Ship for Southeast Asian and Japanese Youth Program (SSEAYP), an international exchange program organized by the Cabinet Office of Japan. Later, she worked in the CSR department of an electronics manufacturer. Doi took up her current position in 2014. She provides support to corporations for developing human rights policy and carrying out human rights due diligence, and is involved in providing e-Learning on the topic of Business and Human Rights, among other duties.

of forced labor or child labor in regions that supply palm oil, a raw material deeply connected to our products, and paper (forest resources) used in product packaging or distribution material, as well as cases in which land belonging to locals has been deprived of its rights.

Amnesty's Yoko Doi spoke about these human rights issues in the context of basic frameworks and domestic and international trends, providing recent examples of human rights violations. Ordinarily, her talks contain subject matter directed at managers working in the areas of CSR and compliance, but having shared with her in advance the details of our business activities and the status of our CSR measures, she arranged a voluntary seminar on Business and Human Rights, her first on the topic. Moreover, due to the voluntary seminar being open for employees from all departments to attend, including new employees and contract employees, and since a dialogue was to be held after the voluntary seminar with select participants, the talk was limited to two hours. Ms. Doi gave clear explanations in the following areas for all to understand.

#### Theme: Considering Human Rights in Business

1. Amnesty International's activities and Business and Human Rights
2. International human rights standards and corporate responsibility for Business and Human Rights
3. Tackling human rights issues in Japanese companies
4. The necessity for corporations to take action on human rights



■ Dialogue

After the voluntary seminar, Amnesty's Yoko Doi was joined by Minako Suzuki, former manager of the CSR Planning Office at Sumitomo Riko Company Limited. Together they led a dialogue for about two hours on the theme, Business and Human Rights: What it takes to evolve into a human-oriented company of great value to society.

Ms. Doi from Amnesty began by explaining the content of an internationally disclosed human rights report from one pioneering transnational corporation created on the basis of the UN's Guiding Principles on Business and Human Rights Reporting Framework. She started with this to teach the basics of human rights in business efforts demanded by the global community, such as CSR procurement, social responsibility audits, and human rights due diligence.

Ms. Doi compared the content of the report to the information disclosed by the Mandom Group—our principles, policies, and specific initiatives—pointing out what we were doing, what we were not, and what actions we should take going forward, discussing these things with the participants.

During the dialogue, Ms. Doi gave us this advice: "It is important to proactively disclose information. Gather information widely outside the company, quickly perceive social issues, and respond. This process is also linked to corporate competitiveness. It is often difficult to gather information in the area of human rights and to turn it into data. That is where you can utilize NGOs."

Ms. Suzuki told us this: "In Japan, a policy is often thought of as something that is merely written and framed on the wall. What it should be is a standard by which action is taken throughout the company, serving as judgment criteria in each workplace. As a policy that holds divisions together, it is necessary to devise principles that can be acted upon in the workplace and to revise them in accordance with the norms of the international

Guest: Minako Suzuki

Former manager, CSR Planning Office, Corporate Social Responsibility Department, SUMITOMO RIKO Company Limited



After working for a time as a magazine editor, Suzuki received an MBA from Alliance Manchester Business School (The University of Manchester, UK). She joined a major accounting firm and provided consulting on internal audits and CSR/sustainability for a wide range of companies. In 2013, she joined Sumitomo Riko, when its name was still Tokai Rubber Industries, to work in CSR promotion. She has been in her current position since January 2017. In November 2016, she spoke at a session at the 5th UN Forum on Business and Human Rights held in Geneva, Switzerland, being the first representative of a Japanese firm to do so, speaking about her company's human rights efforts in the supply chain. Since FY2017 she has also been working for the UN Global Compact Network Japan as part of their expansion committee.

community." She also shared how Sumitomo Riko, which primarily manufactures automotive parts (anti-vibration rubber products, hoses, etc.), is currently investigating risks and making improvements in the supply chain for natural rubber, used as a raw material.



■ To Establish and Strengthen a Broad, Co-Creative Relationship with Society

Human rights efforts in business involve monitoring human rights at every step, including the corporate supply chain, ensuring that no infringements are occurring. Furthermore, while cooperating broadly with society, efforts must involve working to improve a fair and sustainable business model, and continuous redressing of human rights abuses. Recently, companies have been changing the way they perceive human rights efforts in business. Rather than seeing measures as a way to eliminate negative impact on business activities, they are seeing such efforts as an opportunity for innovation and the development of new businesses in terms of fair trade, cause-related marketing, social enterprise, and inclusive business.

Corporate Social Responsibility (CSR) is an approach that meets the expectations and demands of society across a broad spectrum of social issues. The call for social responsibility is sure to apply to an expanding range of areas in the future, and companies will need to respond to new issues as they emerge. In order to respond appropriately to such situations, rather than making judgments based solely on internal information, views and values, it will be necessary to work with and seek the

opinions of outside experts, researchers, and organizations to establish and strengthen a broad, co-creative relationship with society.

We plan to carry out our social responsibility as a corporate citizen thoroughly, building a strong foundation in our relationships with a diverse range of stakeholders and outside experts, so we ask for your understanding and cooperation.

We wish to extend our heartfelt thanks to Ms. Doi and Ms. Suzuki.



Participants of the dialogue

- Yoko Doi — Amnesty International Japan
- Minako Suzuki — Former manager, CSR Planning Office, Corporate Social Responsibility Department, Sumitomo Riko Company Limited
- Gengo Kubo — Internal Audit Div.
- Tadahiko Hirata — Purchasing Div.
- Yuko Shiomi — Purchasing Div.
- Keiji Kasahara — Purchasing Div.
- Masato Kishimoto — Technical Development Center
- Gaku Okuda — Manager, Communication Strategy Div.
- Takeshi Masuki — Marketing Div. 2
- Tsukasa Nishiyama — CSR Promotion Div. (Moderator)

Observers (Mandom)

- Masayoshi Momota — Director
- Makiko Tokuno — Manager, Internal Audit Div.
- Tokuto Muraji — General Manager, Purchasing Div.
- Takuma Kiuchi — Manager, Purchasing Div.
- Naoya Koizumi — Manager, Purchasing Div.
- Takashi Maekawa — General Manager, CSR Promotion Div.
- Masashi Toyonaga — CSR Promotion Div.
- Jun Takakura — CSR Promotion Div.
- Nobue Kaneko — CSR Promotion Div.

\*Departments, etc., and managerial titles are correct as of date of writing

## Outside Expert Comments



**Yoko Doi**  
AMNESTY INTERNATIONAL JAPAN

The Mandom Group's concept of a "human-oriented" company overlaps with human rights in business—an approach that focuses on people in business activities. It seems, therefore, that human rights are to be placed at the heart of the group's business operations.

Protecting human rights is a basic premise upon which sustainability is built in this world, and society will increasingly demand that corporations carry out due diligence on human rights, and have systems in place that assure that human rights are respected.

Lateral connections that extend across a company's divisions are essential for human rights efforts in business. According to international human rights standards, including the UN's Guiding Principles on Business and Human Rights, companies are required to respect human rights throughout the value chain, meaning their responsibilities are extensive. At Mandom, cross-divisional CSR activities are already being carried out, and the voluntary seminar and dialogue taught me that employees are proactive in their understanding of CSR issues and that there is good communication between divisions. I believe that the foundation already exists for amplifying this approach to spread respect for human rights group-wide, a principle that is stated in the Mandom Group Code of Conduct.

Supply chain human rights are listed as a CSR material issue in the Mandom Group's value chain. I look forward to seeing Mandom prioritize human rights issues and carry out responsible procurement and business in high-risk areas where human rights violations are likely to occur—such as areas where raw materials are produced and processed. I also expect to see information disclosure related to the company's recognition of and response to upstream human rights issues that are often difficult to see downstream in the supply chain.

I believe it is the role of NGOs like Amnesty International to point out things that companies cannot easily see, such as what negative impacts their business may be having on people involved in it. I hope that Mandom will continue having dialogues with such NGOs in the future.



**Minako Suzuki**  
Former manager, CSR Planning Office, Corporate Social Responsibility Department, SUMITOMO RIKO Company Limited

Business and human rights initiatives are still relatively unfamiliar to people in Japan, but efforts are steadily progressing in the international community.

November 2017, I again attended the annual UN Forum on Business and Human Rights in Geneva. In this forum, various practices to which many Japanese companies have yet to give much consideration, for example cases covered by the human rights report we discussed in our dialogue, are presented as a common practice. Initially, participants in the forum came mainly from the government and NGO sectors, but in recent years participants from companies have increased considerably, demonstrating that companies are beginning to pay attention to business and human rights.

Prior to our dialogue, I read Mandom's KohDoh Report 2016 and The Indonesia Plant Fire and Our Response report. These reports created a strong impression regarding Mandom's efforts toward human rights in business. I doubt there are many other Japanese companies that would disclose their response to such an accident as clearly as Mandom has. I participated in this dialogue with that recognition, and here too I observed an earnest attitude among Mandom's employees that made me realize a foundation has been laid for such efforts by the corporate culture.

Sumitomo Riko has only just begun its own business and human rights efforts. Although we work in different industries, I believe that human rights are an issue we share in common. As Japanese companies, let's work to promote these efforts together.

## Employee Comments



**Yuko Shiomi**  
Purchasing Div.

In the day-to-day operations of the Purchasing Division, we try to ensure that there are no CSR nonconformities in the supply chain based on the Mandom Group's Procurement Guidelines.

There was a clear focus on human rights in this voluntary seminar, and a lot of real examples were presented. I now better understand the risks and structural issues faced by companies.

Through the dialogue, I was introduced to a human rights report of a pioneering company in an easy-to-understand way. I learned how to see human rights risks in corporate activities together with the identified issues, giving me a more concrete idea on how respect for human rights can fit into my own work.



**Keiji Kasahara**  
Purchasing Div.

I worked on designing new products after first joining Mandom, and now I work in purchasing, so I'm aware of quality issues and the 3Rs (Reduce, Reuse, Recycle), which involve

consideration for the environment. But with regard to human rights, I only came into contact with direct customers in Japan, so human rights violations appeared irrelevant. However, considering how raw materials are procured globally these days, I feel that we really need to investigate the conditions where raw materials are produced, and make sure that human rights are being protected, not merely worrying about quality and environmental issues. As the person responsible for the procurement of raw materials, I think it is paramount to stay on top of quality, environment, and human rights issues, and I will continue to do so in my day-to-day activities.



**Tadahiko Hirata**  
Purchasing Div.

I learned a great deal and hope that the company provides more such opportunities for study. The issue of human rights had almost never come up before in the Purchasing Division, but now I feel an urgency to set up our own procurement standards based on international rules (human rights standards). These standards must also hold up to outside scrutiny, so we need to work with outside stakeholders to create them. Such efforts will require a stronger relationship than ever with our raw material suppliers. I also feel that we need to further raise awareness inside the company, starting with management, and proceed with strong motivation.



**Gengo Kubo**  
Internal Audit Div.

This was a good opportunity to be reminded of the rapid change in the business environment and to recognize that not addressing human rights issues can lead to risks. This voluntary seminar was quite meaningful not only for a segment of our employees but for the company as a whole to deepen its understanding and get all of its employees moving in the same direction.

The examples shared of other companies were very informative. I would like to see Mandom shift away from conservative actions with risk avoidance as the primary objective, to more Mandom-like positive actions that can really help people, particularly in Asia.



**Takeshi Masuki**  
Marketing Div. 2

Up to this point, I had felt that business and human rights had little to do with me. I thought the issue was the responsibility of transnational companies much larger than ours. But after this voluntary seminar and dialogue I came to realize

that Mandom must also take action on this issue. Mandom products are made in Japan, Indonesia, and China, and are distributed worldwide, but I can't say if there are or aren't any problems involving human rights somewhere along the line across the range of raw materials we use. The only thing I can say is that if we want to grow globally in the future, we need to do business in a way that does not cause any problems with human rights. Looking ahead, I will consider what I can do about this in my own area of work.



**Masato Kishimoto**  
Technical Development Center

Human rights is a topic that has been getting more newspaper and media coverage of late. To be honest, I could not relate to it and found the topic difficult and complicated. But through my participation in this voluntary seminar and dialogue, I was able to gain a deeper understanding of the Ruggie principles, the lagging response of Japanese companies, and the necessity to take action on human rights. I also feel that as a "human-oriented" company that supports the 10 principles of the UN Global Compact, it is necessary for Mandom to quickly set out a policy and share that with the world.

It has long been known that a company is only as good as its people. Where there are people, there are human rights, and I plan to investigate the supply chain situation in our business dealings, and explain our stance and our actions regarding human rights issues to our stakeholders.



**Gaku Okuda**  
Communication Strategy Div., GB Marketing Headquarters

Before, I had felt that this topic was rather unrelated to my everyday business, but as I became more familiar with the issues, I realized how little I had really known and been aware of

previously. I also realized that each year, society is taking an increasingly keen interest in corporate actions, requiring proper action on our part. I came to realize that doing business internationally means that we must adopt this kind of global perspective. In addition, the education provided by this voluntary seminar and dialogue was only to a certain number of participants; we need for all of our employees to share the same awareness, so that they may think and act together. It is going to take a considerable amount of time for these ideas to be shared with and adopted by everyone, so I will start by sharing what I learned within my own department.



## Looking Back on the Voluntary Seminar and Dialogue

The seminar reconfirmed that taking action on human rights problems hidden in the supply chain that supports our lives and business activities is not only the duty of a transnational company but is also indispensable for the healthy growth of the Mandom Group's business. As the voluntary seminar was voluntary, some early concerns were raised about low participation numbers, but a preliminary survey indicated there would be more applicants than anticipated, which showed a high interest in human rights. Also, even with the demands of regular work duties, select employees actively participated in the dialogue, and it turned out to be a fruitful experience. The day also brought up future issues for thoughtful action, including the establishment and implementation of a CSR procurement system. The focus of this seminar was on human rights issues in the supply

chain, but there are a wide range of other actions regarding human rights that are also expected and demanded of corporations. These include ridding the workplace of harassment and discrimination, eliminating unfair treatment and improving the workplace environment, and paying careful attention to people working in all areas, be it in the supply of products and services, or in publicity and advertising.

With a renewed understanding of human rights, we can better sort out the human rights issues and risks in our midst, and we can continue to take action on human rights in business to evolve into a truly "human-oriented" company as the Mandom Group aspires to be, and offer great value to society.