



**Appendix "List of Responses"**

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**Question 1: Does your company believe it is desirable for the Japanese government to enact legislation mandating Human Rights Due Diligence (HRDD) or legislation advancing the practice of HRDD under certain conditions? If yes, please provide the reasons.**

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**Asahi Group Holdings**

We recognize that all companies must practice HRDD in accordance with the UNGPs in order to minimize human rights risks to society as a whole. Therefore, we believe that policies such as the enactment of laws and promotion of the dissemination of guidelines to promote the spread and practice of HRDD are desirable. We believe that legislation based on the premise of effectiveness without becoming obsolete is desirable, especially for challenges that cannot be resolved solely by the strength of individual companies.

**Suntory Holdings**

We hope that the enactment of the law will promote more HRDD practices in Japan; however, as we are not aware of the content of the law at this time, our evaluation will depend on what it entails.

**Ajinomoto**

In light of international trends in the area of "business and human rights", the Japanese government formulated and published its "National Action Plan on Business and Human Rights (2020-2025)" in October 2020, and in 2022, the Japanese government released its first guideline based on international standards such as the UN Guiding Principles, OECD Guidelines for Multinational Enterprises, and ILO Declaration on Multinational Enterprises.

Although the guidelines are not legally binding, they are intended for all companies doing business in Japan, regardless of size or industry, and call for respect for human rights not only within their own group, but also within their supply chain, both domestically and internationally. The guideline mentions "the importance of management commitment," "potential negative impacts exist for all companies," "the importance of dialogue with stakeholders," "sequential actions based on priorities," and "it is important for companies to work together to respect human rights." When companies advance human rights initiatives such as human rights due diligence, seamless collaboration with each company in the supply chain is essential. To align awareness levels among companies in the short term, we believe that legal regulations are effective.

On the other hand, it is possible that the enacted law will be a necessary and sufficient line for corporate compliance, and if the content of the enacted law does not reflect the principles expected by the UN Guiding Principles on Business and Human Rights and other international standards in a comprehensive and concrete manner (and if the trend of "all we have to do is follow the law" becomes widespread), it could hinder the developmental efforts of companies. In light of the advantages of both hard law and soft law, it may be necessary

to consider the content of the law and other assumptions deeply in order to determine the desirability of adopting a law.

#### **Kao**

- Legalization is desirable.
- We believe that appropriate legislation will encourage companies to further their efforts to respect human rights.

#### **Akao Nenshi**

We think it is desirable. Management and operations under pressures such as human rights violations should be eliminated.

#### **Meiji**

We believe that the existence of a certain level of laws and regulations is effective in promoting human rights initiatives not only by our own company but also by our business partners, including suppliers.

#### **Fast Retailing**

The Guiding Principles on Business and Human Rights (UNGP) clearly state "the responsibility of companies to respect human rights." Based on the UNGP, various countries have formulated National Action Plans (NAPs) on Business and Human Rights to promote respect for human rights by companies. In Japan, the NAP was published in October 2020 and the "Guidelines on Respecting Human Rights in Responsible Supply Chains" was formulated in September 2022, and awareness-raising activities are being conducted to promote respect for human rights by companies. At the same time, we understand that legislation has been enacted in Europe and the U.S., partly against the backdrop of concerns that HRDD initiatives are not sufficiently advanced through voluntary efforts by companies, and we expect that the enactment of such legislation in Japan will also promote HRDD initiatives. Furthermore, with the mandatory implementation of HRDD in Japan, it is believed that efforts to respect human rights within the Japanese companies falling under its purview and the value chains surrounding these enterprises will advance. This is expected to contribute to the enhancement of the international competitiveness of Japanese businesses.

On the other hand, since legislation is being enacted in each country and region, there is a concern that different requirements in each country and region will require different responses, which will place a heavy burden on companies. Therefore, we believe that the content of legislation in Japan should be consistent with international norms such as the UNGP, the "OECD Due Diligence Guidance for Responsible Business Conduct", and sector-specific guidelines (related to question 3). In addition, depending on the size of a company, it may have limited information and resources, and there may be differences in the status and difficulty of HRDD efforts, including the grasp of traceability, depending on the sector and its position in the value chain. Therefore, we believe that the content of the obligations should be balanced, taking into consideration the size of the company and the sector (related to questions 2 and 4).

As a company with global operations, we have established the Fast Retailing Group Human Rights Policy in accordance with the UNGP and other international standards and are promoting efforts to respect human rights. Please see below for specific initiatives.

<https://www.fastretailing.com/jp/about/frway/humanrights.html>

<https://www.fastretailing.com/jp/sustainability/labor/>

<https://www.fastretailing.com/jp/sustainability/employee/policy.html>

### **Kirin Holdings**

Given that legislation could potentially embed a culture of human rights respect widely across businesses, we consider it desirable in promoting human rights respect in the value chain.

### **Daiichi Sankyo Healthcare**

We promote respect for human rights in accordance with the Daiichi Sankyo Group Human Rights Policy established by our parent company, Daiichi Sankyo Company, Limited.

Daiichi Sankyo Group Human Rights Policy Link:

Daiichi Sankyo Human RightsPolicy\_JP\_20200601

<[https://www.daiichisankyo.co.jp/files/about\\_us/responsibility/global\\_policy/index/pdf/ds\\_hrp\\_jp.pdf](https://www.daiichisankyo.co.jp/files/about_us/responsibility/global_policy/index/pdf/ds_hrp_jp.pdf)>

We establish the implementation of Human Rights Due Diligence (HRDD) in this policy and emphasize the promotion of HRDD within the company. Since the formulation of the National Action Plan (NAP) in 2020, progress in HRDD initiatives has been observed domestically. We anticipate further advancement in the practical implementation of HRDD through the enactment of laws. However, the current gap between companies is very large, and we believe that a sufficient preparation period is necessary.

### **National Conference of the Association of Small Business Entrepreneurs**

We believe that it is desirable for the Japanese government to enact a law that will advance the practice of HRDD. The reason is that companies play an important role in creating a society that respects human rights, and legislation would promote their efforts.

### **Tokyo Marine Holdings**

Our Group's "Basic Policy on Human Rights" states that "Our management philosophy is to permanently enhance our corporate activities by placing customers' trust at the origin of all our activities, and that the foundation for putting this philosophy into practice is respect for the human rights of all people, including customers, society, employees, shareholders, investors and future generations. We are committed to respecting human rights in all of our business activities." Gaining sufficient understanding from various stakeholders and enacting laws or regulations that mandate Human Rights Due Diligence (HRDD) is considered one way to advance the practice of HRDD and promote the commitment to respecting human rights. However, our company believes that regardless of the existence of such laws, it is essential to implement and advance initiatives for human rights respect, including HRDD.

### **Nissan Motor**

We believe HRDD mandatory legislation is desirable. It is expected to clarify the standard for HRDD and increase fairness, transparency, and credibility.

### **Japan Airlines**

Considering the international trends, conducting Human Rights Due Diligence (HRDD) is becoming a prerequisite for companies operating globally. Therefore, we believe that mandating HRDD is desirable for the future of Japanese companies as they engage in global activities.

### **Fuji Oil**

While we anticipate that the legalization of mandating Human Rights Due Diligence (HRDD) will to some extent promote its implementation, we believe there is a risk that without introducing specific guides and sets of practices for Due Diligence (DD) methods and know-how tailored to industry-specific or sector-specific needs, some companies might only engage in a formalistic implementation.

### **Fujitsu**

There are many issues regarding the objective evaluation of HRDD initiatives and the status of promotion by SMEs in Japan. It is desirable that HRDD be regulated by law as a measure to clarify certain required standards and to raise the overall level of HRDD.

### **P&G Japan**

At P&G, we prioritize the respect for human rights in all aspects of our operations worldwide. Instead of responding to the questionnaire you provided, we would like to share our policies on business and human rights through the following URL:

<https://us.pg.com/policies-and-practices/human-rights-statement/>. We appreciate your time in reviewing our principles and initiatives.

Thank you for your understanding of our policies and efforts.

### **Consumer Goods Forum, Japan**

Given the nature of your question, we deemed it inappropriate to provide personal opinions. We need time to coordinate the official position from our Japan office, translate it into English, have it reviewed by our headquarters in France, obtain approval, translate it back into Japanese, and then respond. Unfortunately, this process has taken longer than anticipated, and we have reached the submission deadline today, November 10th. We apologize, but the response is not ready at this time.

### **Mitsubishi UFJ Financial Group**

We recognize that respect for human rights is an important issue to be addressed in our management, and we published a Human Rights Report in June that summarizes our company's thoughts and efforts. On the other hand, we believe that the legalization of human rights requires discussion from a variety of perspectives, taking into account the impact on multiple stakeholders, and therefore, we will refrain from responding to this questionnaire.

### **Mos Food Service**

Based on our "Mos Group Human Rights Policy", we are committed to promoting respect for the human rights of all individuals. We have established guidelines that prohibit discriminatory treatment or harassment based on factors such as gender, age, nationality, religion, beliefs, social status, or disability. Each of us is actively engaged in initiatives to uphold human rights. We hope that administrative operations align with these principles.

### **Tokyo Electric Power Company Holdings**

In regard to questions 1 through 5, we believe that efforts to respect human rights should be addressed from a comprehensive perspective, and the TEPCO Group will strengthen its efforts in this regard in light of trends in the government and various ministries.

### **Rakuten Group**

We will refrain from answering individual questions in the survey, but Rakuten Group has established the Rakuten Group Human Rights Policy and conducts human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, as described in the Principles.

- Rakuten Group Human Rights Policy

[https://corp.rakuten.co.jp/sustainability/docs/library/HumanRightsPolicy\\_JP.pdf](https://corp.rakuten.co.jp/sustainability/docs/library/HumanRightsPolicy_JP.pdf)

Our business involves countless people, including our business partners and employees involved in the development, provision, and operation of our services and products, as well as the users of those services and products, and local residents. In order to grow together sustainably and fulfill our mission, we are committed to ensuring the human rights of all stakeholders involved. For more information on our "human rights" related initiatives, please refer to the Sustainability page of our corporate website below.

Corporate website Sustainability page (Human Rights)

<https://corp.rakuten.co.jp/sustainability/human-rights/>

### **Global Compact Network Japan**

(no response)

### **Sony**

(no response)

### **Keidanren (Japan Business Federation)**

(no response)

### **SMILE-UP.**

(no response)

### **Takase Kanagata**

(no response)

### **McDonald's Company (Japan)**

(no response)

### **Mitsubishi**

(no response)

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**Question 2: Does your company believe that the enactment of laws mandating Human Rights Due Diligence (HRDD) or legislation advancing the practice of HRDD will create "fair competition conditions" among companies?**

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**Asahi Group Holdings**

We consider human rights should be the foundation of all business activities and that human rights initiatives will be a prerequisite for being selected as a business partner in the future. We believe that in a society where HRDD is widespread, fair competitive conditions will be easier to meet.

**Suntory Holdings**

Depending on the content of the law, we hope that its enactment will create fair competitive conditions between companies.

**Ajinomoto**

Based on the theory of level playing field (common playing field), we believe that, while legislation on social and environmental issues (including respect for human rights) is already in progress mainly in Europe and the U.S., this is the first step toward "creating fair conditions in Japan" from a Western perspective, and it will be evaluated to a certain extent. In addition, as a more important factor, we believe that the establishment of a system and laws that do not allow "price, quality, and supply to be achieved through someone's 'unfair labor' or 'environmental destruction' " will cause a transformation in each company's business structure and promote competition on the same foundation. At the same time, we believe that this could provide an opportunity for consumers to deepen their understanding of the supply chain (which underlies the price of a product). (The question of the necessity of legalization is mentioned in Question 1.)

**Kao**

- The legal system will play a certain role in creating fair conditions for competition.

**Akao Nenshi**

It will create fair competition conditions. We believe that eliminating companies with high human rights risks is fundamental and could be a condition for future transactions.

**Meiji**

Depending on the content of regulations, there is a possibility of differences in the capacity to comply based on the size of the company. Therefore, we believe it is necessary to consider regulations that take into account the size of the company.

**Fast Retailing**

We believe that the human rights of stakeholders directly and indirectly related to corporate activities should naturally be protected, there is a concern that a fair competitive environment could be undermined if there is a difference in response costs borne by companies that



focus on respecting human rights and those that do not. Therefore, we believe that making HRDD mandatory will ensure that the costs associated with HRDD are borne fairly and will lead to the creation of fair competitive conditions among the companies subject to HRDD.

On the other hand, there are likely to be many companies with limited information and resources, and it is considered necessary to introduce HRDD in stages and to provide support for such companies. In addition, since the degree of difficulty in advancing HRDD is expected to vary depending on the sector to which a company belongs, and others, it is necessary to establish rules to ensure that there is no inequity in the size of companies or among sectors.

#### **Kirin Holdings**

We believe that mandating HRDD could generate a certain level of effectiveness in creating fair competition conditions. However, considering the varying challenges in implementing HRDD among companies, we also anticipate the need for appropriate support from the government tailored to factors such as company size and characteristics.

#### **Daiichi Sankyo Healthcare**

Our group has established an internal cross-functional organization to implement HRDD.

Daiichi Sankyo Company, Limited Website Respect for Human Rights Links:

Respect for Human Rights - Ethics & Compliance – Sustainable management - Daiichi Sankyo Company, Limited (daiichisankyo.co.jp)

<[https://www.daiichisankyo.co.jp/about\\_us/responsibility/ethics-compliance/human\\_rights/](https://www.daiichisankyo.co.jp/about_us/responsibility/ethics-compliance/human_rights/)>

Since HRDD requires human and financial resources, we believe that enactment of legislation that advances the practice of HRDD will lead to fair competition conditions. We recognize, however, that sufficient preparation time is needed, as this may be a disadvantage to companies that are not currently engaged in the practice.

#### **National Conference of the Association of Small Business Entrepreneurs**

We believe that the enactment of the law will increase the likelihood of "fair competitive conditions" among companies as they expand their efforts to respect human rights.

#### **Tokyo Marine Holdings**

We believe that the enactment of laws and regulations requiring HRDD is not necessarily essential as a condition for the creation of fair competitive conditions.

#### **Nissan Motor**

Yes, we believe so.

#### **Japan Airlines**

We believe that there are cases where fair competitive conditions among firms may result from the review of their own trading conditions as a result of HRDD.

#### **Fuji Oil**

We believe that without obtaining understanding and support for the significance of implementing Human Rights Due Diligence (HRDD) concurrently with legalization, fair competitive conditions cannot be achieved.

**Fujitsu**

We believe that ensuring fairness requires not only legal regulations but also consideration of system design that takes into account practical operational aspects. This is particularly relevant if situations arise where compliance with Human Rights Due Diligence (HRDD) becomes a condition in bidding processes, as it could become a factor in creating fair competitive conditions.

**P&G Japan**

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**Consumer Goods Forum, Japan**

Given the nature of your question, we deemed it inappropriate to provide personal opinions. We need time to coordinate the official position from our Japan office, translate it into English, have it reviewed by our headquarters in France, obtain approval, translate it back into Japanese, and then respond. Unfortunately, this process has taken longer than anticipated, and we have reached the submission deadline today, November 10th. We apologize, but the response is not ready at this time.

**Mitsubishi UFJ Financial Group**

We recognize that respect for human rights is an important issue to be addressed in our management, and we published a Human Rights Report in June that summarizes our company's thoughts and efforts. On the other hand, we believe that the legalization of human rights requires discussion from a variety of perspectives, taking into account the impact on multiple stakeholders, and therefore, we will refrain from responding to this questionnaire.

**Mos Food Service**

We are not in a position to answer hypothetical situations such as when legislation is enacted.

**Tokyo Electric Power Company Holdings**

In regard to questions 1 through 5, we believe that efforts to respect human rights should be addressed from a comprehensive perspective, and the TEPCO Group will strengthen its efforts in this regard in light of trends in the government and various ministries.

**Rakuten Group**

We will refrain from answering individual questions in the survey, but Rakuten Group has established the Rakuten Group Human Rights Policy and conducts human rights due



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### **Global Compact Network Japan**

(no response)

### **Sony**

(no response)

### **Keidanren (Japan Business Federation)**

(no response)

### **SMILE-UP.**

(no response)

### **Takase Kanagata**

(no response)

### **McDonald's Company (Japan)**

(no response)

### **Mitsubishi**

(no response)

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**Question 3: Do you believe that the enactment of laws mandating Human Rights Due Diligence (HRDD) or advancing HRDD practices through legislation would enhance the alignment of corporate human rights initiatives with government guidelines, such as "Guidelines for Respecting Human Rights in Responsible Supply Chains" and other government policies or standards?**

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### **Asahi Group Holdings**

While legislation may make the law more consistent with government guidelines and other policies, we believe that careful thought must be given to the content, scope, and implementation of the law to ensure that it is properly implemented.

**Suntory Holdings**

Depending on the content of the law, we hope that its enactment will make it more consistent with government guidelines and other government policies and standards.

**Ajinomoto**

We believe that if the enacted laws can appropriately and comprehensively reflect the principles and activities outlined in the Japanese government's "Guidelines on Respecting Human Rights in Responsible Supply Chains" based on international standards such as the UN "Guiding Principles on Business and Human Rights", it would enhance consistency. (The question of the necessity of legalization is mentioned in question 1.)

**Kao**

- Legislation will increase consistency with government guidelines, policies, and various standards.

**Akao Nenshi**

Yes, we believe so.

**Meiji**

We believe that consistency will increase.

**Fast Retailing**

It is expected that HRDD will be legislated in a manner consistent with government guidelines such as the "Guidelines on Respecting Human Rights in Responsible Supply Chains", thereby increasing the consistency of corporate human rights efforts with government policies and standards. However, with the trend toward mandatory HRDD in various countries and regions, many multinational companies are already taking action. If the law to be enacted in Japan is not based on international norms, there may be differences with existing corporate human rights policies, guidelines, and operations, which could be a significant burden for companies. Therefore, we believe it is important to assume that the content of the legislation in Japan should be consistent with international norms.

**Kirin Holdings**

Through the process of legislation, we expect that coherence with policies and other standards will be ensured. Additionally, we also anticipate progress in considering the ratification of outstanding items within the ILO Core Labour Standards.

**Daiichi Sankyo Healthcare**

Since guidelines such as the NAP and the "Guidelines on Respecting Human Rights in Responsible Supply Chains" encourage all companies to implement HRDD, we believe that enactment of a law to advance HRDD practices would be consistent with government policies and standards.

**National Conference of the Association of Small Business Entrepreneurs**

We believe that the enactment of the law will make the government's stance clearer and more consistent with its other policies.

**Tokyo Marine Holdings**

We believe that if legislation is enacted to advance HRDD practices, such as legislation mandating HRDD, and if the content of such legislation is consistent with published guidelines and government policies and standards, the two will be more consistent.

**Nissan Motor**

Yes, we believe so.

**Japan Airlines**

In developing new laws, we expect that consistency with existing guidelines, etc. will be maintained.

**Fuji Oil**

We believe that consistency will increase.

**P&G Japan**

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**Consumer Goods Forum, Japan**

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**Mitsubishi UFJ Financial Group**

We recognize that respect for human rights is an important issue to be addressed in our management, and we published a Human Rights Report in June that summarizes our company's thoughts and efforts. On the other hand, we believe that the legalization of human rights requires discussion from a variety of perspectives, taking into account the impact on multiple stakeholders, and therefore, we will refrain from responding to this questionnaire.

**Tokyo Electric Power Company Holdings**

In regard to questions 1 through 5, we believe that efforts to respect human rights should be addressed from a comprehensive perspective, and the TEPCO Group will strengthen its efforts in this regard in light of trends in the government and various ministries.

**Rakuten Group**

We will refrain from answering individual questions in the survey, but Rakuten Group has established the Rakuten Group Human Rights Policy and conducts human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, as described in the Principles.

- Rakuten Group Human Rights Policy

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Corporate website Sustainability page (Human Rights)

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### **Fujitsu**

No response (as it seems that the focus is not on the legalization for the improvement of alignment with existing guidelines and policies).

### **Mos Food Service**

We are not in a position to answer hypothetical situations such as when legislation is enacted.

### **Global Compact Network Japan**

(no response)

### **Sony**

(no response)

### **Keidanren (Japan Business Federation)**

(no response)

### **SMILE-UP.**

(no response)

### **Takase Kanagata**

(no response)

### **McDonald's Company (Japan)**

(no response)

### **Mitsubishi**

(no response)

**Question 4: If legislation mandating Human Rights Due Diligence (HRDD) or legislation advancing the practice of HRDD is enacted, do you believe that making SMEs subject to such legislation would lead to motivating SMEs to adopt the UN Guiding Principles on Business and Human Rights (UNGPs)? In that case, do you think SMEs should be subject to the same obligations as large companies, or should there be differences in obligations, such as imposing an obligation of effort on SMEs?**

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#### **Asahi Group Holdings**

We believe that policies such as legislation will promote the spread and practice of UNGPs and HRDD throughout the supply chain, especially among SMEs. However, we believe that consideration should be given to SMEs' labor and cost burdens, etc., in accordance with their circumstances. We believe it is also important to devise ways to motivate SMEs to adopt the UNGPs in order to achieve the objective of the legislation, which is to minimize human rights risks.

#### **Suntory Holdings**

In the event of legal enactment, it is desirable for the implementation of Human Rights Due Diligence (HRDD) to advance in small and medium-sized enterprises (SMEs). However, there is a plausible concern that the practical implementation may be hindered by increased costs and resource burdens for SMEs. Therefore, it may be necessary to consider measures such as exemptions from obligations or delaying the timing of legal application to alleviate these challenges.

#### **Ajinomoto**

Respect for human rights is something that all companies should address. Serious issues still exist for Japanese companies, such as discrimination, harassment, and human rights violations by foreign technical interns, and these issues are being closely watched by Western countries as well. Based on the premise that it is important for all companies to be aware of the UNGPs, we believe it is necessary to carefully discuss this question by confirming the current situation of Japanese companies and, in addition, evaluating precedents in Europe and the US.

#### **Kao**

- We believe that the inclusion of small and medium-sized enterprises (SMEs) as targets will serve as a motivation for adopting the UNGPs.
- However, considering that SMEs have limited resources, imposing immediate obligations equivalent to those on large enterprises may raise questions about effectiveness. Therefore, it seems necessary to progress in stages.

#### **Akao Nenshi**

We believe that the obligation should be imposed on large companies first, and small and medium-sized companies after that.

#### **Meiji**

We believe that it may not be appropriate to impose the same obligations on small and medium-sized enterprises (SMEs) as on large enterprises because their business

environment may be significantly different compared to that of large enterprises. We believe that it is necessary to establish some differences, such as limiting the items to which the obligation to take action is imposed.

### **Fast Retailing**

In the event that small and medium-sized enterprises (SMEs) are included as targets for legalized Human Rights Due Diligence (HRDD), or even if SMEs themselves are not directly subject to the law but are part of the value chain of large enterprises, equivalent HRDD is anticipated. Recognizing that SMEs often face limitations in information and resources compared to large enterprises, considerations such as phased implementation, easing of obligations, government support for HRDD, etc. should be provided when HRDD is required for SMEs.

### **Kirin Holdings**

We believe that by extending the obligation of HRDD to include small and medium-sized enterprises (SMEs), there is a potential to motivate SMEs to adopt the UNGPs. On the other hand, when large enterprises conduct HRDD, it is conceivable that SMEs may become the subject of HRDD. In such cases, SMEs may also be motivated to adopt the UNGPs. Therefore, it may not necessarily be required to mandate HRDD for SMEs themselves by law. However, if obligations are imposed on SMEs, it is important to provide appropriate support from the government tailored to factors such as the size and characteristics of the enterprise, considering that the challenges in responding to HRDD may vary among companies.

### **Daiichi Sankyo Healthcare**

We believe that if SMEs were included in the scope of the law, it would create an incentive to adopt UNDPs. On the other hand, we believe that it would be difficult to impose a uniform obligation on companies of all sizes, as we have seen in other countries where legislation has been enacted. Since SMEs have limited human and financial resources, we believe it is necessary to provide adequate support measures and to establish differences in obligations. Our group endorses the aims of the "Conference for the Promotion of Building Partnerships for the Future", which is being promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and other public and private sectors, and it is participating in the "Declaration for Building Partnerships" as of January 30, 2023. We believe that such efforts to promote collaboration throughout the supply chain are also important.

### **National Conference of the Association of Small Business Entrepreneurs**

We believe that the enactment of the law will be one of the factors that will increase SMEs' interest in UNGPs and create motivation to engage in HRDD and other activities. On the other hand, many SMEs have limited management resources, and many of them may find it difficult to practice HRDD. If legislation is enacted, consideration should be given to making it an obligation for SMEs to make an effort to implement HRDD.

### **Tokyo Marine Holdings**

We believe that respect for human rights is an issue that all companies, regardless of industry or company size, should address. On the other hand, many small and medium-sized companies do not necessarily have sufficient management resources, and we



believe that it is necessary to consider the differences in resources that companies have when enacting legislation.

### **Japan Airlines**

Since HRDD is labor-intensive and costly to implement, we believe that some consideration should be given to small and medium-sized enterprises, such as by limiting it based on business size and number of employees, or making it an obligation to make efforts to implement it.

### **Fuji Oil**

We believe that legislation will help motivate SMEs to adopt the UNGPs, but it would be better to differentiate the level of obligation or the timing of the start of implementation depending on the size of the company.

### **Fujitsu**

Since small and medium-sized enterprises (SMEs) are expected to face resource challenges in responding to human rights DD, it is appropriate to narrow down the target companies for mandatory compliance based on sectors with high human rights risks and actual business scale, as is the case with overseas laws and regulations. In addition to laws and regulations, policy support should also be considered for the development of an efficient information infrastructure for human rights DD using digital technology, for example.

### **P&G Japan**

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### **Mitsubishi UFJ Financial Group**

We recognize that respect for human rights is an important issue to be addressed in our management, and we published a Human Rights Report in June that summarizes our company's thoughts and efforts. On the other hand, we believe that the legalization of human rights requires discussion from a variety of perspectives, taking into account the impact on multiple stakeholders, and therefore, we will refrain from responding to this questionnaire.

### **Tokyo Electric Power Company Holdings**

In regard to questions 1 through 5, we believe that efforts to respect human rights should be addressed from a comprehensive perspective, and the TEPCO Group will strengthen its efforts in this regard in light of trends in the government and various ministries.

**Rakuten Group**

We will refrain from answering individual questions in the survey, but Rakuten Group has established the Rakuten Group Human Rights Policy and conducts human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, as described in the Principles.

- Rakuten Group Human Rights Policy

[https://corp.rakuten.co.jp/sustainability/docs/library/HumanRightsPolicy\\_JP.pdf](https://corp.rakuten.co.jp/sustainability/docs/library/HumanRightsPolicy_JP.pdf)

Our business involves countless people, including our business partners and employees involved in the development, provision, and operation of our services and products, as well as the users of those services and products, and local residents. In order to grow together sustainably and fulfill our mission, we are committed to ensuring the human rights of all stakeholders involved. For more information on our "human rights" related initiatives, please refer to the Sustainability page of our corporate website below.

Corporate website Sustainability page (Human Rights)

<https://corp.rakuten.co.jp/sustainability/human-rights/>

**Nissan Motor**

We are not in a position to comment on other industries.

**Mos Food Service**

We are not in a position to answer hypothetical situations such as when legislation is enacted.

**Global Compact Network Japan**

(no response)

**Sony**

(no response)

**Keidanren (Japan Business Federation)**

(no response)

**SMILE-UP.**

(no response)

**Takase Kanagata**

(no response)

**McDonald's Company (Japan)**

(no response)

**Mitsubishi**

(no response)

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**Question 5: Do you believe that a legal basis for advancing the practice of Human Rights Due Diligence (HRDD) is necessary for the financial sector, and the government should take measures in that direction? For example, when enacting legislation, do you think the government should include financing recipients as subjects for HRDD?**

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**Asahi Group Holdings**

We believe that it is necessary for Japanese society as a whole, including the financial sector and the government, to deepen understanding of the UNGPs and a wide range of human rights issues related to corporate activities and to advance HRDD practices.

**Suntory Holdings**

We believe that basically the same consideration and measures should be taken for human rights in any business field.

**Ajinomoto**

There was a newspaper report in June 2023 where it was reported that three Japanese banks will tighten their screening of loans due to human rights issues and conduct a detailed investigation to see if there is any child labor or forced labor in the supply chain (supply network) of the loan recipient, and if no improvement is expected, they will suspend new loans.

It is noted that collaboration with the financial sector to support sustainable business activities is meaningful in this context. (The question of the necessity of legalization is mentioned in question 1.)

**Kao**

- We believe that measures need to be taken in the financial sector as well.

**Akao Nenshi**

We believe that they should be included.

**Meiji**

We believe that including the financial sector in the scope will make it more effective.

**Fast Retailing**

Uniform requirements to financial institutions to conduct HRDD may hinder smooth financing. We believe that the content of the requirement should be balanced, taking into account the corporate size and sector of the investee company.

**Kirin Holdings**

We believe that there is a need for HRDD by the financial sector towards investment destinations, as investments can sometimes exacerbate negative human rights impacts.

However, conducting HRDD for all investment destinations may not be realistic due to the wide range of targets involved. Therefore, we consider that thorough deliberation involving stakeholders and experts is necessary to determine the necessity, targets, scope, methods, and other aspects of the legislation.

#### **Daiichi Sankyo Healthcare**

It is desirable to establish a due diligence process in the financial sector as well, but we believe that careful consideration should be given to the possibility of increased negative impacts in legislation.

#### **National Conference of the Association of Small Business Entrepreneurs**

The financial sector plays a significant role in the practical implementation of Human Rights Due Diligence (HRDD) within companies, and we believe that a legal foundation is necessary. Regarding whether to include the investee or the loan recipient as targets for HRDD, including stakeholders in the consideration process is deemed necessary.

#### **Tokyo Marine Holdings**

Per our response to question 4, we believe that respect for human rights is an issue that all companies, regardless of industry or company size, should address, and financial institutions should be treated like any other company.

#### **Japan Airlines**

As for the financial aspect, we believe that it may be premature at this stage and that priority should first be given to each company to implement HRDD as its own initiative.

#### **Fuji Oil**

While we believe that the implementation of HRDD by financial institutions can help build a sustainable value chain, it is not realistic for a financial institution with a large and diverse clientele to conduct DD for all of its investees, including those to which it has made investments and loans, and careful consideration is needed regarding the scope, level, and frequency of such DD.

#### **Fujitsu**

From the perspective of preventing and mitigating negative impacts, both direct and indirect, as required by the UN Guiding Principles on Business and Human Rights, we believe that investee companies should also be considered as targets for HRDD. However, for global financial institutions, the hurdle to conduct detailed HRDD for all entities is high, and a realistic scope of HRDD should be considered.

#### **P&G Japan**

At P&G, we prioritize the respect for human rights in all aspects of our operations worldwide. Instead of responding to the questionnaire you provided, we would like to share our policies on business and human rights through the following URL:

<https://us.pg.com/policies-and-practices/human-rights-statement/>. We appreciate your time in reviewing our principles and initiatives.

Thank you for your understanding of our policies and efforts.

**Consumer Goods Forum, Japan**

Given the nature of your question, we deemed it inappropriate to provide personal opinions. We need time to coordinate the official position from our Japan office, translate it into English, have it reviewed by our headquarters in France, obtain approval, translate it back into Japanese, and then respond. Unfortunately, this process has taken longer than anticipated, and we have reached the submission deadline today, November 10th. We apologize, but the response is not ready at this time.

**Mitsubishi UFJ Financial Group, Inc.**

We recognize that respect for human rights is an important issue to be addressed in our management, and we published a Human Rights Report in June that summarizes our company's thoughts and efforts. On the other hand, we believe that the legalization of human rights requires discussion from a variety of perspectives, taking into account the impact on multiple stakeholders, and therefore, we will refrain from responding to this questionnaire.

**Mos Food Service**

In order to promote respect for the human rights of all people, based on the "Mos Group Human Rights Policy," we have established that each of us will not discriminate against or harass people because of their gender, age, nationality, religion, creed or social status, or disability. Each and every one of us is committed to respecting human rights. We hope that the administration will operate in accordance with these ideas.

**Tokyo Electric Power Company Holdings**

In regard to questions 1 through 5, we believe that efforts to respect human rights should be addressed from a comprehensive perspective, and the TEPCO Group will strengthen its efforts in this regard in light of trends in the government and various ministries.

**Rakuten Group**

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**Nissan Motor**

We are not in a position to comment on other industries.

**Global Compact Network Japan**

(no response)

**Sony**

(no response)

**Keidanren (Japan Business Federation)**

(no response)

**SMILE-UP.**

(no response)

**Takase Kanagata**

(no response)

**McDonald's Company (Japan)**

(no response)

**Mitsubishi**

(no response)

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**Question 6: If there are points that your company believes the government should consider when enacting a law to advance the practice of Human Rights Due Diligence (HRDD), such as the content and scope of obligations or methods to ensure effectiveness, please provide your response.**

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**Asahi Group Holdings**

It is crucial that the law, while utilizing international standards, takes into consideration the unique characteristics of Japan's industrial structure and companies. The implementation and improvement of HRDD come with associated costs. Given the significant challenge of this cost burden, it is essential to explore methods to reduce the burden on each company, thereby enhancing the effectiveness of HRDD. Additionally, ensuring the effectiveness of the law requires proper monitoring. In Japan, there is a shortage of resources for conducting assessments to grasp the actual situation, making it necessary to consider measures to address this issue.

**Suntory Holdings**

In order to enact the law, we would like to request that the relationship with existing legal systems and guidelines be fully organized and that consideration be given to the actual situation on the corporate side.

**Ajinomoto**

Confirmation that the content of the enacted law comprehensively and concretely reflects the principles expected from the UN Guiding Principles on Business and Human Rights and



other international standards. Additionally, collaborative consideration with companies on post-enactment support and evaluation for implementation, taking into account assessments of the situations in advanced Western countries where legalization has already occurred and the current situation in Japan. (The question of the necessity of legalization is mentioned in Question 1.)

#### **Kao**

- We expect the law to clearly outline the content that should be implemented for each target, promoting and ensuring "fair competitive conditions."

#### **Meiji**

- It is desirable to set the level of regulation in consideration of the size of the company.
- It is also desirable for the obligation to include information disclosure in line with certain rules so that the status of efforts by other companies, including business partners, can be easily checked.

#### **Fast Retailing**

In addition to the points mentioned earlier regarding the enactment of a law to advance the practice of HRDD, we believe it is essential to consider the following aspects:

- When human rights violations are identified, ensure that remedies are provided and cooperation is provided according to the relationship between the company and the human rights violation, such as whether the company directly caused or indirectly contributed to the violation, and that the human rights violation is restored and compensated.
- Promote stronger governance systems, including corporate internal controls, to ensure transparent disclosure of information about HRDD.

Along with legislation, we believe that mechanisms and support that reduce the burden on companies are also needed. For example, in the apparel industry, while companies are working to improve human rights and labor conditions in their supply chains, labor audits are conducted on a single sewing factory by multiple global brands that are their business partners, which places an excessive burden on the factory and prevents them from taking sufficient time to improve issues. Therefore, it is desirable for the government to work with companies to create a mechanism to ensure the effectiveness of efforts to respect human rights as a whole, such as by devising ways to reduce the burden not only on those who conduct HRDD but also on those who receive it, and by providing support that encourages industry-wide and cross-industry responses.

Furthermore, in order to promote proactive efforts by more companies, regardless of size, we believe that it is important not only to make it mandatory and punitive, but also to provide incentives and other measures to encourage companies to make voluntary efforts.

#### **Kirin Holdings**

While it is important to thoroughly study international norms such as the UNGPs and precedents from leading examples like those in Europe and the United States and reflect them in laws and regulations, I believe that it is equally crucial to direct legislation and establish specific provisions while considering the attitudes and situations of Japanese companies. In this regard, I hope for legal deliberations that involve the private sector, such

as conducting interviews with various companies that have different levels of commitment and situations regarding human rights initiatives.

#### **Daiichi Sankyo Healthcare**

We believe that companies need sufficient preparation time to respond. We also believe that it is important to increase the sensitivity of society as a whole to human rights.

#### **National Conference of the Association of Small Business Entrepreneurs**

We believe that what is important in promoting respect for human rights in small and medium-sized enterprises is to bring out the initiative of small and medium-sized enterprises, especially their managers. In addition to establishing laws and systems, we believe it is important to create an environment in which SME managers can proactively address human rights issues as their own management challenges. For example, 1) creation and dissemination of HRDD guidebooks (guidance) for SMEs, 2) collection and dissemination of case studies of proactive efforts to respect human rights, 3) establishment of HRDD promotion organizations by SMEs and other organizations and promotion of efforts based on the current status of SMEs, 4) implementation of a system for dispatching experts, etc.

#### **Tokyo Marine Holdings**

We recognize that respect for human rights is an initiative that companies with social responsibilities should take voluntarily and constantly strive to improve. While acknowledging the establishment of rules through legislation, we believe that it is crucial to be mindful that adherence to rules by companies should not be considered sufficient. This is to prevent initiatives from becoming merely formal and to ensure a genuine commitment to the cause.

#### **Nissan Motor**

Clarity of the system, simplicity of implementation, and harmonization with international standards.

#### **Japan Airlines**

We believe that international standards such as the UNGPs will be referred to in the development of the law, but we would like to see the creation of a system that complies with global standards but also takes into account the situation of companies based in Japan and is suited to the actual situation.

#### **Fujitsu**

In addition to the answer to question 4, since there are many Japanese companies that have global value chains and conduct business, we would like to request that you consider the content of the legislation to be internationally accepted, avoiding legislation that is unique to Japan.

#### **P&G Japan**

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**Fuji Oil**

Nothing in particular.

**Akao Nenshi**

(no response)

**Mos Food Service**



**Human Rights Now**

(no response)

**Global Compact Network Japan**

(no response)

**Sony**

(no response)

**Keidanren (Japan Business Federation)**

(no response)

**SMILE-UP.**

(no response)

**Takase Kanagata**

(no response)

**McDonald's Company (Japan)**

(no response)

**Mitsubishi**

(no response)