

June 30, 2026

REPORT

In the Shadow of “Green” EVs

Human Rights Challenges in the Nickel Supply Chain and the Obligations of the Japanese Government and Responsibilities of Japanese Companies—Toward a Just Transition



Human Rights Now

Executive Summary

This report examines and analyses efforts to address human rights issues in the nickel supply chain, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). Nickel is a mineral resource used in electric vehicle (EV) batteries and other products, and demand for nickel is increasing as part of the transition to a decarbonised society. The report also considers the responses required of Japanese companies and the Japanese Government.

In recent years, global demand for EVs has rapidly expanded in pursuit of carbon neutrality, leading to a sharp increase in demand for nickel. However, serious human rights issues have been reported at the mining and refining sites that support this supply, including land grabbing, environmental destruction, violations of Indigenous Peoples' rights, and violations of workers' rights. In particular, the lack of free, prior and informed consent (FPIC) of Indigenous Peoples, poor working conditions, occupational health and safety concerns, and suspected cases of forced labour have become issues that cannot be overlooked in the process of a sustainable energy transition.

For this report, a questionnaire survey was conducted targeting eleven Japanese automobile manufacturers and general trading companies. Among them, the report analyses the implementation of human rights due diligence in the nickel supply chains of six automobile manufacturers. The analysis found that many companies have not sufficiently assessed nickel-specific human rights risks. It also revealed insufficient efforts to ensure supply chain transparency and to establish effective grievance mechanisms that are accessible to workers and local communities at operational sites.

The Japanese Government has adopted the Guidelines on Respecting Human Rights in Responsible Supply Chains. However, the Guidelines rely on voluntary corporate initiatives, and Japan has not yet established a legal framework requiring companies to conduct effective human rights due diligence. In addition, Japan has not established an independent national human rights institution responsible for monitoring and remedy for human rights abuses.

In contrast, Europe has been advancing the development of legal frameworks, including the EU Battery Regulation, under which certain companies are required to conduct human rights and environmental due diligence in relation to the sourcing, processing, and trading of raw materials and secondary raw materials. European companies such as Volkswagen and BMW have also been developing and implementing human rights due diligence systems to a certain extent, including risk identification, information disclosure, preventive and mitigation measures, and grievance mechanisms. These provide practical examples that may serve as useful references when compared with the practices of Japanese companies.

In light of these circumstances, this report recommends that the Japanese Government introduce mandatory human rights and environmental due diligence in line with international human rights standards, establish an independent national human rights institution, and ratify ILO Convention No. 169 and develop related legal frameworks. The report also calls on Japanese companies to strengthen human rights commitments at the management level, introduce human rights risk assessments specifically tailored to mining and mineral sourcing, establish effective grievance mechanisms accessible to workers and local communities, and strengthen continuous dialogue and collaboration with stakeholders, including NGOs and local communities.

The transition to a decarbonised society should not be achieved at the expense of respect for human rights. This report hopes that, by appropriately addressing human rights risks in the nickel supply chain, Japanese companies and the Japanese Government will promote responsible mineral sourcing and contribute to the realisation of a just and sustainable energy transition.

Table of Contents

1. Introduction
2. Current Situation: Expanding EV Demand and the Challenges of Nickel Supply
3. The State of the Japanese Government's Responses
4. The State of Corporate Responses
5. Laws and Regulations Overseas
6. Recommendations to the Japanese Government and Companies



Human Rights Now

Human Rights Now (HRN) is an international human rights NGO based in Tokyo, Japan, with UN special consultative status. It was established in 2006 by a group of human rights professionals, including lawyers, scholars, and journalists, as the first international human rights NGO founded in Japan. With a membership comprising a wide range of human rights specialists, HRN works to address the most serious human rights violations and to protect and promote human rights across borders, with a particular focus on Asia. Since obtaining UN special consultative status in 2012, HRN has actively engaged in the United Nations decision-making process. Today, HRN has offices in Tokyo, New York, and Geneva, and carries out its activities worldwide.

1

Introduction

As the spread of electric vehicles¹ (EVs) and renewable energy is being promoted internationally toward the realization of carbon neutrality, demand for the nickel used in EV batteries is rising rapidly. Yet at the nickel mines that sit at the very top of this supply chain, serious human rights problems have been reported, including land grabbing, environmental destruction, violations of the rights of indigenous peoples, and risks to workers' occupational safety and health as well as risks of forced labor.

An energy transition that aims to reduce environmental burdens cannot be called a truly sustainable transition if it is accompanied, on the other hand, by human rights violations along the supply chain. In particular, although Japan's automotive industry and general trading companies may be deeply connected to nickel-producing countries such as Indonesia and the Philippines through their procurement of EV batteries and critical minerals, their supply chain transparency and their implementation and disclosure of human rights due diligence remain limited.

This report first organizes the current state of nickel supply amid expanding EV demand, focusing in particular on the human rights risks associated with mine development. It then examines, on the basis of a questionnaire survey conducted with major Japanese companies, the gap between international norms and the efforts of the Japanese government and Japanese companies. Furthermore, through comparison with the efforts of European companies and with foreign laws and regulations, it makes recommendations for the institutional responses required in Japan and for practical improvements in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

1 Including EVs, hybrid vehicles (HV/HEV), plug-in hybrid vehicles (PHV/PHEV), and fuel-cell vehicles (FCV/FCEV).

2

Current Situation: Expanding EV Demand and the Challenges of Nickel Supply

The Nickel Supply Chain

Nickel is attracting attention as one of the critical raw materials accompanying the adoption of EVs and renewable energy introduced as climate change mitigation measures. It is an indispensable material in the manufacture of EV batteries in particular, and demand for it is increasing rapidly. Of the world's nickel reserves in 2023, Indonesia accounts for about 51% and Philippines about 11%; in addition to countries near the equator, nickel is mined in Canada, Russia, Australia, and elsewhere.² In terms of world nickel mine production, Indonesia accounts for about 60%, the Philippines about 9%, and Russia about 6%.³ Much of the nickel that is mined is used in the manufacture of stainless steel, but in recent years demand for nickel as a cathode material for EV batteries has surged.

The nickel used in EV batteries is mined at overseas nickel mines and then passes through local smelters, domestic refineries, cathode-material manufacturers, and EV-battery manufacturers before being supplied to automobile manufacturers. Within this supply chain, the nickel distributed in Japan is mined mainly at mines in Indonesia and the Philippines.⁴

As examined below, reports of human rights violations at overseas nickel mines have continued one after another. Under the UNGPs and the Japanese government's Guidelines on Respecting Human Rights in Responsible Supply Chains, automobile manufacturers located downstream in the nickel supply chain bear a responsibility to conduct human rights and environmental due diligence covering their entire supply chain—so as to ascertain whether the EV batteries they use contain nickel implicated in human rights violations—and to disclose and report the results. This responsibility applies equally to general trading companies, which play a crucial role in this supply chain. Furthermore, they are required to ensure transparency by establishing an environment in which victims can access remedy through grievance mechanisms, engaging in meaningful dialogue with stakeholders, and conducting substantive disclosure and reporting.

Trends in the EV Market and Human Rights Challenges

In 2024, more than 20% of new cars sold worldwide were EVs.⁵ European countries, including the Nordic countries in particular, rank among the highest in adoption rate, while in terms of sales volume China accounts for about 61% of the world total, playing a central role in the market.⁶

In Japan, North America, Europe, China, and elsewhere, policies are being advanced to promote the adoption of EVs, and Japan has set a goal of achieving carbon neutrality by 2050, including, as part of that effort, a target of making 100% of new passenger-car sales EVs by 2035.⁷ Regarding corporate trends, although there are cases of some slowdown relative to previous targets, Toyota has set a goal of raising its EV sales volume to 1.5 million units by 2026 and 3.5 million units by 2030; other major automakers such as General Motors and Hyundai have also announced targets to increase their sales volumes.⁸

Regardless of such market changes, serious human rights violations continue to be reported at the sites where the nickel used

2 JOGMEC, "Nickel Trends in the Oceania and Southeast Asia Region," https://mric.jogmec.go.jp/wp-content/uploads/2024/02/mrseminar2024_0227_01.pdf

3 Ibid.

4 METI, "Policy for Ensuring a Stable Supply of Critical Minerals," https://www.meti.go.jp/policy/economy/economic_security/metal/critical_minerals_torikumihoshin.pdf

5 IEA "Trends in electric car markets" <https://www.iea.org/reports/global-ev-outlook-2025/trends-in-electric-car-markets-2>

6 IEA, "Global EV Data Explorer," <https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer>

7 METI, "Automobiles and Storage Batteries: Main Future Initiatives," https://www.meti.go.jp/policy/energy_environment/global_warming/ggs/05_jidosha.html

8 METI, "Domestic and International Circumstances Surrounding Automobiles and the Direction of Automobile Policy," https://www.meti.go.jp/policy/mono_info_service/joho/conference/battery_strategy2/shiryo04.pdf

in EV batteries is mined, and a response to this problem is required. The shift to EVs is being promoted with the focus placed mainly on achieving sustainability from an environmental perspective; but in order to realize a sustainable society, it is essential to comprehensively secure the protection of human rights across the entire supply chain—encompassing not only the reduction of environmental burdens but also social dimensions such as human rights and labor.

Human Rights Risks at Nickel Mining Sites

Nickel mining and the associated mine development can pose serious human rights risks to a wide range of rights holders, including local residents, indigenous peoples, and workers. The principal risks include: (1) impacts on local residents' land, livelihoods, and environment, such as the loss of the foundation of their lives through land grabbing and eviction, and health damage and impacts on means of livelihood caused by environmental pollution and the destruction of nature; (2) violations of indigenous peoples' rights to their land and resources and of free, prior and informed consent (FPIC); and (3) poor working conditions for workers, occupational safety and health problems, and the risk of forced labor.

These risks are closely related to rights protected by international human rights standards such as the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the United Nations Declaration on the Rights of Indigenous Peoples, and the ILO core labour standards. The following examines each of these human rights risks, drawing on concrete cases reported in nickel-mining regions.

(1) Impacts on Local Residents' Land, Livelihoods, and Environment

Nickel mining and smelting operations are having serious impacts on local residents' land, livelihoods, environment, and health. According to Climate Rights International (CRI)'s report *Nickel Unearthed*,⁹ residents living near nickel mining and smelting operations on the island of Halmahera, Indonesia, have complained of serious threats to their rights to land, to maintaining their traditional way of life, to access to clean water, and to health. In addition to dissatisfaction over problems in the land-acquisition process and over compensation, residents have reported that the acquisition of farmland and air and water pollution have adversely affected traditional means of livelihood such as agriculture and fishing, as well as residents' health. CRI has also documented allegations that some companies, working together with police and military personnel, carried out land grabbing, intimidation, and coercion against indigenous peoples and local residents.

Moreover, a research on the nickel operations in Sorowako, Indonesia, published by FoE Japan and others, likewise reports problems such as farmers being forced off the farmland that is the foundation of their livelihoods as mine development expanded; the loss of local residents' means of livelihood and sources of income; damage such as landslides associated with mining; air pollution from dust blowing in from mining sites; and water pollution of nearby springs and other water sources used by residents.¹⁰

These problems are not confined to Indonesia. In the Philippines as well, adverse impacts on local residents' rights to land and resources, on their means of livelihood, on their health, and on their access to clean water have been reported in connection with nickel mining operations.¹¹ In addition to environmental impacts such as deforestation and metal contamination, it has also been pointed out that operations are being carried out without adequate consultation or consent.¹²

With respect to nickel mining and smelting operations, in addition to the above, multiple reports have pointed to water pollution, deforestation, the loss or deterioration of means of livelihood, and health damage to local residents such as headaches, coughs,

9 Climate Rights International (CRI), Indonesia Report "Nickel Unearthed: The Human and Climate Costs of Indonesia's Nickel Industry," <https://cri.org/reports/nickel-unearthed/>

10 FoE Japan, "Nickel mining continues in Indonesia after stripping residents of their livelihoods and water sources — Japanese business actors must also respond responsibly!" <https://foejapan.org/issue/20230218/11583/>

11 Amnesty International, "Philippines: Nickel mining threatening the health and environment of local communities," https://www.amnesty.or.jp/news/2025/0109_10557.html

12 Ibid.

respiratory diseases, and skin diseases.¹³

In this way, nickel development is having serious impacts on local residents' land-use rights, on the foundation of their lives, and on traditional means of livelihood dependent on natural resources, as well as on residents' health. These impacts threaten to violate the inherent right to life set out in the International Covenant on Civil and Political Rights (Article 6(1))—an international human rights treaty that Japan has also ratified, with the exception of its Optional Protocols—and the right to an adequate standard of living (Article 11) and the right to the enjoyment of the highest attainable standard of physical and mental health (Article 12) set out in the International Covenant on Economic, Social and Cultural Rights. Furthermore, UN Human Rights Council resolution 48/13 (A/HRC/RES/48/13) and UN General Assembly resolution 76/300 (A/RES/76/300) recognize the right to a clean, healthy, and sustainable environment as a human right; consequently, there is a very high risk that the environmental destruction and pollution accompanying nickel development violate these internationally recognized human rights standards.

(2) Violations of Indigenous Peoples' Rights and of FPIC

The land grabbing, environmental destruction, impacts on means of livelihood, and health damage described in the preceding section are also occurring in common to indigenous peoples. For example, with respect to the Indigenous Pala'wan people living near the Rio Tuba mine on Palawan Island in the Philippines, it has been reported that since the start of nickel mining and smelting operations, environmental changes, adverse impacts on means of livelihood, and health damage have occurred.¹⁴ Concerns have also been pointed out regarding impacts on food security, deforestation, water pollution, and health damage such as respiratory and skin diseases affecting indigenous peoples.¹⁵ Moreover, in the Philippines, in addition to such impacts, concerns have been raised regarding the procedures for obtaining FPIC from indigenous peoples and local residents.¹⁶ In Indonesia as well, expropriation of indigenous peoples' land and water pollution, among other problems, have been reported in connection with nickel mining operations.¹⁷

Furthermore, attacks have been reported against those who defend the rights of indigenous peoples to their land and resources, and against human rights defenders (HRDs). In the Taganito region of the Philippines, an incident occurred in which a man who had expressed concern about the impacts of nickel mine development on indigenous peoples and had voiced opposition to a Chinese-affiliated company's planned expansion of mine development in the area was shot dead near a resettlement site by two people who arrived on a motorcycle.¹⁸ In Indonesia as well, in connection with nickel mining operations, farmland and the land of indigenous peoples were expropriated, and a case has been reported in which seven activists and indigenous people who carried out protest activities against mining on indigenous land were said to have been criminally prosecuted.¹⁹

Nickel development is having serious impacts on indigenous peoples' rights to their lands, territories, and natural resources, on their traditional way of life and cultural identity, and on their health. These impacts are closely related to the rights guaranteed in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Specifically, indigenous peoples have: the right not to be forcibly removed from their lands or territories without free, prior, and informed consent and agreement on just and fair compensation (Article 10); the right to participate in decision-making (Article 18); the right to give or withhold free, prior, and informed consent with respect to projects affecting their lands, territories, and resources (Article 19 and Article 32(2)); the right to

-
- 13 Electronics Watch, "Human Rights and Environmental Impact of Nickel Mining at Rio Tuba," pp. 5–6, https://electronicswatch.org/human-rights-and-environmental-impact-of-nickel-mining-in-the-philippines-may-2022_2610464.pdf; Business & Human Rights Resource Centre, "Powering electric vehicles — Human Rights and Environmental Abuses in South Asia's Nickel Supply Chains," p. 9, https://media.bhrrc.org/media/documents/2023_EV_supply_chains.pdf
 - 14 Electronics Watch, "Human Rights and Environmental Impact of Nickel Mining at Rio Tuba," p. 5, https://electronicswatch.org/human-rights-and-environmental-impact-of-nickel-mining-in-the-philippines-may-2022_2610464.pdf
 - 15 Business & Human Rights Resource Centre, "Powering electric vehicles — Human Rights and Environmental Abuses in South Asia's Nickel Supply Chains," pp. 3 and 9.
 - 16 Business & Human Rights Resource Centre, "Powering electric vehicles — Human Rights and Environmental Abuses in South Asia's Nickel Supply Chains," p. 10; and Electronics Watch, "Human Rights and Environmental Impact of Nickel Mining at Rio Tuba," p. 8.
 - 17 Business & Human Rights Resource Centre, "Powering electric vehicles — Human Rights and Environmental Abuses in South Asia's Nickel Supply Chains," p. 15.
 - 18 FoE Japan, "The Taganito nickel mine development and smelting project in the Philippines and Japan's involvement," <https://foejapan.org/issue/20220207/6052/>
 - 19 Business & Human Rights Resource Centre, "Powering electric vehicles — Human Rights and Environmental Abuses in South Asia's Nickel Supply Chains," p. 15.

the enjoyment of the highest attainable standard of physical and mental health (Article 24(2)); the right to maintain their spiritual and cultural relationship with their lands, territories, and resources (Article 25); the rights to their lands, territories, and resources (Articles 26 and 27); and the right to redress or just compensation with respect to their lands, territories, and resources (Article 28). Indigenous peoples also have the right to the conservation and protection of the environment and the productive capacity of their lands and resources (Article 29). Accordingly, with respect to nickel development affecting indigenous peoples' lands and natural resources, these internationally recognized rights must be fully respected, and the expropriation of land, forced removal, environmental destruction, and the carrying out of operations without free, prior, and informed consent reported above give rise to serious doubts as to the consistency of such operations with these rights.

(3) Violations of Workers' Rights

In mining activities, not only human rights violations against local residents and indigenous peoples but also violations of workers' rights have been reported. For example, in an explosion that occurred at a nickel smelter in Indonesia, numerous deaths and injuries resulted, and occupational safety and health concerns have been pointed out.²⁰ A report by the United States Department of Labor also lists Indonesian nickel as goods suspected of having been produced with forced labor.²¹ In the Philippines, it has been reported that workers are made to work under precarious employment conditions, including the absence of written employment contracts, delays in wage payments, and an inability to file grievances out of fear of retaliation.²² There are also reports that when workers attempted to file grievances, they were threatened by the mining company that they would be unable to continue working.²³ Furthermore, it has been pointed out that workers' employment is, in many cases, structured through contracts with staffing agencies rather than direct contracts with the mining company, and that such an employment structure risks enabling companies to evade responsibility.²⁴

As for workers' fundamental human rights, the International Covenant on Economic, Social and Cultural Rights—which Japan has also ratified, with the exception of its Optional Protocol—sets out the right to work (Article 6) and the right of everyone to the enjoyment of just and favorable conditions of work (Article 7), among others. In addition, the ILO core labour standards comprise freedom of association and recognition of the right to collective bargaining, the abolition of forced labor, the abolition of child labor, and the elimination of discrimination, and in 2022 a safe and healthy working environment was added to them. The commentary to Principle 12 of the UNGPs likewise positions the principles concerning the fundamental rights set out in the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, and the eight ILO core conventions as the principal benchmarks of internationally recognized human rights. In light of these international standards, the worker fatalities, suspected forced labor, and precarious working conditions reported in connection with nickel mining and smelting are acts that violate, or threaten to violate, workers' rights—including the right to enjoy a safe and healthy working environment, the right to enjoy just and favorable conditions of work, and the right to be free from forced labor.

20 FoE Japan, "In response to deaths and injuries of workers at an Indonesian nickel smelter, an Indonesian NGO calls for a halt to nickel production — Protect workers' rights!" <https://foejapan.org/issue/20231228/15623/>

21 Office of Child Labor, Forced Labor, and Human Trafficking, Bureau of International Labor Affairs, United States Department of Labor, "2024 List of Goods Produced by Child Labor or Forced Labor," https://www.dol.gov/sites/dolgov/files/ilab/child_labor_reports/tda2023/2024-typra-list-of-goods.pdf

22 Amnesty International, "Philippines: Undermining workers' rights: Labour rights abuses in nickel supply chains," pp. 18–24, <https://www.amnesty.org/en/documents/asa35/4389/2021/en/>

23 Ibid., p. 23.

24 Ibid., pp. 15–16 and 24.

3

The State of the Japanese Government's Efforts

Related Measures and the Gap with International Human Rights Standards

In Japan, as a measure relating to minerals such as nickel, METI published the Policy for Ensuring a Stable Supply of Critical Minerals²⁵ in 2023 (updated March 30, 2026). However, the principal purpose of this policy is to secure a stable supply of resources for the maintenance and development of Japan's industrial products and for the manufacture of EVs toward the realization of carbon neutrality. Although the policy does refer to challenges facing supply chains, it focuses on challenges from the perspective of stable procurement, such as conditions including ore quality and the concentration of mining and smelting processes in particular countries. While respect for human rights in economic activity is listed as a matter to be considered in securing a stable supply of critical minerals, the policy goes no further than referring to Japan's own guidelines, it does not present the concrete human rights risks associated with minerals or concrete measures to address them.²⁶ In addition, the Japan–OECD Cooperation Plan on Economic Security, issued on May 12, 2026, states that the parties will “Promoting uptake of OECD supply chain due diligence and responsible business conduct (RBC) frameworks to improve the reliability and sustainability of critical mineral supply chains,”²⁷ and the “United State-Japan Action Plan for Critical Minerals Supply Chain Resilience,” issued on March 23, 2026,²⁸ states that the participating countries identify projects “which comply with internationally recognized responsible business conduct standards” and prioritize financing and other policy support for those projects. However, as of the time of writing of this report, there is no reference to concrete efforts concerning human rights.

In addition, based on the Storage Battery Industry Strategy announced in 2022,²⁹ a pilot project on human rights and environmental due diligence has been carried out. Its method is to send, through the supply chain, a reporting form containing questions about the state of responses to human rights and environmental risks, reaching up to the upstream refining and smelting operators, and thereby to ascertain the state of responses at each stage of the supply chain; but with respect to human rights and environmental risks at mining sites, the method adopted is for the refining and smelting operators to gather information to the extent possible. The results were limited to stating that challenges remain regarding such matters as a lack of resources to conduct on-site investigations, the assurance of accuracy of verification results, and comprehensiveness across the entire supply chain,³⁰ and the effort has not progressed to the examination of concrete measures or to legislation. Subsequently, in the Battery and Power Supply Industry Strategy formulated by the Storage Battery Industry Strategy Promotion Council, the effort likewise went no further than stating, as a result of examining methods of implementing due diligence through the pilot project, that the strategy will “promote the development of an environment in which companies' efforts on storage-battery due diligence are evaluated”; it does not set out any obligation for companies to conduct human rights due diligence or any concrete promotional measures.³¹

Japan has ratified many of the principal international human rights treaties, including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as well as many ILO conventions. In addition, in 2022 it formulated the “Guidelines on Respecting Human Rights in Responsible Supply Chains,” which call on

25 METI, “Policy for Ensuring a Stable Supply of Critical Minerals,”

https://www.meti.go.jp/policy/economy/economic_security/metal/index.html

26 The above Policy, version of March 30, 2026, p. 39.

27 Ministry of Foreign Affairs, “Cooperation Plan on Economic Security between Japan and the Organisation for Economic Co-operation and Development (OECD),” https://www.mofa.go.jp/mofaj/ecm/oced/pageit_000001_00003.html

28 Ministry of Finance, “Japan–U.S. Action Plan for the Resilience of Critical Mineral Supply Chains,”

https://www.mof.go.jp/policy/international_policy/convention/dialogue/20260318143202.html

29 METI, “Storage Battery Industry Strategy,”

https://www.meti.go.jp/policy/mono_info_service/joho/conference/battery_strategy/battery_saisyu_torimatome.pdf

30 METI, “Human Rights and Environmental Due Diligence for Storage Batteries,”

https://www.meti.go.jp/shingikai/mono_info_service/chikudenchi_sustainability/004.html

31 METI, “Storage Battery and Power Source Industry Strategy” (June 2, 2026), p. 16,

<https://www.meti.go.jp/press/2026/06/20260602001/20260602001-1r.pdf>

companies to conduct human rights due diligence. However, there currently exists no legal framework that obligates companies to conduct human rights due diligence to identify, prevent, mitigate, and remedy the risk that these human rights are violated through corporate activity.

In particular, serious human rights risks associated with nickel mining—such as land grabbing, violations of indigenous peoples’ rights, environmental destruction, and violations of workers’ rights—require continuous and effective risk assessment and response by companies. However, because the guidelines currently presented by the Japanese government are not legally binding and are not specific to mineral supply chains, there are limits to their ability to adequately ensure corporate responsibility for the human rights violations and human rights risks occurring at mining sites. As a result, a gap continues to exist between the situation in Japan and the risk-based human rights due diligence required by such instruments as the UNGPs and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Furthermore, many Japanese companies are actively promoting efforts on climate-change measures and decarbonization and are disclosing the details.³² Such efforts should be valued as important endeavors toward the achievement of the SDGs and the realization of a sustainable society. Internationally as well, the recognition that the enjoyment of a clean, healthy, and sustainable environment is a human right has been spreading.

At the same time, however, cases have been reported in which the increasing demand for EVs and storage batteries that underpin decarbonization is, through the expansion of mining of critical minerals such as nickel, giving rise to new human rights violations and human rights risks. Accordingly, while responses to environmental problems have aspects that contribute to human rights, sufficient attention must also be paid to the fact that such efforts themselves can cause adverse impacts on human rights. It should be noted that, although the concept of carbon offsetting exists in the field of climate change, in the field of human rights the idea of offsetting—of cancelling out human rights violations or the non-fulfillment of the responsibility to respect human rights caused through business activities, on the grounds that one is carrying out activities that promote human rights or that contribute to society—is not recognized. Companies are required to identify, prevent, mitigate, and, where necessary, remedy the adverse impacts on human rights arising in their individual business activities.

National Human Rights Institution

There are 119 national human rights institutions in the world,³³ but Japan has not established one. Such national human rights institutions are said to play an important role in promoting and monitoring the effective implementation of international human rights standards domestically.³⁴ Furthermore, under the UNGPs, they are said to play an important role in ensuring the effectiveness of non-judicial grievance mechanisms in the business and human rights context as well. They also have a role to play in enabling States to fulfill their duties and companies to fulfill their responsibilities: they help States verify whether relevant laws and regulations are consistent with human rights obligations and are being effectively enforced, and they can serve as independent experts with whom companies can consult when they face complex human rights issues.³⁵ In this way, a national human rights institution would play an important role in bridging the gap between international human rights standards and Japan’s institutions in the business and human rights context as well, yet none has been established in Japan.

32 Ministry of the Environment, “The Spread of Efforts Toward Decarbonization Management,” <https://www.env.go.jp/content/000081871.pdf>

33 Global Alliance of National Human Rights Institutions, <https://ganhri.org/membership/>

34 United Nations, “UN Human Rights and NHRIs,” <https://www.ohchr.org/en/countries/nhri>

35 UN Guiding Principles on Business and Human Rights (Commentary to Principles 3, 23, 25, and 27), https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

4

The State of Corporate Responses

Responses of Japanese Automobile Manufacturers and Other Japanese Companies and Background to the Questionnaire Survey

Many Japanese companies refer, in their integrated reports, sustainability reports, and own websites, to the formulation of responsible mineral-sourcing policies and to the conduct of supply-chain investigations. However, the publicly available information is limited, and the number of Japanese companies that have published the results of supply-chain investigations focused on nickel is limited.³⁶

As background to this, for gold, tin, tantalum and tungsten (the so called 3TG), the practice of supply-chain investigation by companies has been standardized to a certain degree, against the backdrop of laws such as the Dodd-Frank Act. With respect to nickel, however, although efforts that gradually lead corporate practice are advancing—for example, from April 2025 onward, nickel was added to the minerals covered by the Responsible Minerals Initiative (RMI)’s EMRT—it is hard to say that standardized investigation and disclosure practices have been established over a long period, as is the case for 3TG.

In addition, even in areas such as 3TG where the practice of supply-chain investigation has been standardized against the backdrop of legal regulation, there are limits to efforts that focus solely on survey questionnaires and the securing of traceability. Research on the conflict-minerals regulation covering 3TG and the Democratic Republic of the Congo³⁷ points out that the development of legal frameworks and the investigative practices based on them strengthen traceability from the midstream smelters onward, but have limits when it comes to addressing the structural factors behind conflict and human rights violations in mineral-producing regions, and that they alone cannot sufficiently achieve risk reduction across the entire supply chain. For nickel as well, therefore, what matters is not only securing traceability from the midstream smelters onward through information gathering via survey questionnaires and the like, but also a perspective that ascertains the actual human rights risks in mining regions and the impacts on rights holders.

In light of the above challenges and of the human rights risks at nickel mining sites taken up in this report, Human Rights Now conducted, from January to April 2026, a questionnaire survey of the following 11 Japanese companies regarding the state of their implementation of human rights due diligence and other measures focused on human rights risks in the nickel supply chain. This questionnaire survey focused in particular on human rights risks at the mine-development sites located at the very top of the nickel supply chain, and ascertained how Japanese companies identify and assess these risks and how they implement measures as part of their supply-chain efforts. It further aimed to clarify the extent to which grievance mechanisms actually usable by the workers and others mining nickel are in place, and how each company ascertains, and reflects in its responses, the voices and needs on the ground through engagement with stakeholders.

The 11 companies targeted can be broadly divided into major automobile manufacturers and general trading companies with international influence; specifically, they are as follows:

³⁶ As an example of survey results on nickel by a Japanese company, see Sumitomo Metal Mining Co., Ltd., “Policy on responsible sourcing of Copper, Nickel and Cobalt raw materials” (https://www.smm.co.jp/sustainability/management/pdf/DD_Report_2025.pdf).

³⁷ Kazuyo Hanai, “Recommendations on Responses to Conflict Minerals Trade Regulation,” Institute for Future Initiatives, University of Tokyo, Policy Recommendations No. 11 (February 2022), <https://ifi.u-tokyo.ac.jp/news/12476/>

- | | |
|---------------------------------|--------------------------|
| • Nissan Motor Co., Ltd. | • ITOCHU Corporation |
| • Honda Motor Co., Ltd. | • Sumitomo Corporation |
| • Mitsubishi Motors Corporation | • Marubeni Corporation |
| • Subaru Corporation | • Mitsui & Co., Ltd. |
| • Toyota Motor Corporation | • Mitsubishi Corporation |
| • Mazda Motor Corporation | |

As a result of requesting the cooperation of these 11 companies with the questionnaire, responses were obtained from four companies: Nissan, Honda, Mitsubishi Motors, and Subaru. As for Toyota, rather than a response using the questionnaire that had been sent, only a separate one-page summary document on its efforts was provided in writing. Sumitomo Corporation and Mitsui & Co. provided explanations by email of the outline of their human rights due diligence policies, but notified us that they declined to respond to the questionnaire. Mitsubishi Corporation notified us that it declined to respond to the questionnaire. ITOCHU Corporation conveyed by email its view that it falls outside the scope of this questionnaire. From Mazda and Marubeni, neither a response nor any communication was obtained.

In this survey, of the above companies, analysis was conducted for six major Japanese automobile manufacturers, based on the questionnaire results of the four companies that responded and the materials cited therein, and on the publicly available information of Toyota and Mazda. The details of the responses obtained from each company are organized in the table below. It should be noted that, even for items classified in the blue-colored category, the evaluation is relative; it does not indicate that the practices are sufficient, and we do not exclude the possibility that further improvement may be necessary.

		Survey Respondents				Companies Assessed via Public Information	
		Nissan	Honda	Mitsubishi Motors	Subaru	Toyota	Mazda
Response to the questionnaire		Yes	Yes	Yes	Yes	No	No
(a) Awareness of human rights problems related to nickel mining		Blue	Yellow	Blue	Yellow	Red	Red
(b) Formulation of mineral-sourcing policies and the robustness of the human rights perspective		Blue	Yellow	Yellow	Yellow	Yellow	Yellow
(c) Human rights requirements imposed on mineral-resource suppliers		Blue	Yellow	Yellow	Yellow	Green	Yellow
(d) Human rights due diligence framework for mineral resources / response on nickel	(i) Identification of human rights risks	Blue	Yellow	Blue	Blue	Yellow	Yellow
	(ii) Implementation of human rights due diligence	Nickel-related HRDD remains at an early stage.	Yellow	Nickel-related HRDD remains at an early stage.	Nickel-related HRDD remains at an early stage.	Yellow	Yellow
	(iii) Tracking and evaluation of the effectiveness of responses	Blue	Red	Yellow	Green	Red	Red
	(iv) Disclosure of implementation results	Green	Red	Yellow	Green	Red	Red
(e) Establishment of grievance mechanisms and their effectiveness	(i) State of grievance channels and measures to ensure effectiveness	Green	Red	Green	Yellow	Yellow	Yellow
	(ii) Effective remedy system for workers and communities at nickel smelters and mining sites	Red	Red	Red	Red	Red	Red
(f) State of, and stance toward, stakeholder engagement on mineral resources (centered on EV raw materials)		Red	Red	Blue	Red	Red	Red
(g) Individual responses and corrective measures for human rights problems in nickel mining		Red	Red	Red	Red	Red	Red

- Blue An item for which appropriate measures appear to be in place at this time.
- Green An item that can be positively evaluated, but where a certain degree of room for improvement exists.
- Yellow An item for which some response exists, but where significant room for improvement remains.
- Red An item for which the response is markedly insufficient, or which does not exist.

Analysis of Measures Taken by Japanese Automakers

(a) Awareness of Human Rights Problems Related to Nickel Mining

All companies acknowledge that human rights and environmental risks may lurk in nickel mining, but there are major differences in the extent to which risks are specifically identified and assessed.

◆ Mitsubishi Motors and Nissan

Mitsubishi Motors recognizes the human rights problems of nickel mining most fully. Specifically, it responded that it recognizes the seriousness of the human rights violations, citing concrete cases such as impacts on the lives of indigenous peoples, land grabbing, and environmental pollution on the islands of Halmahera and Kabaena in Indonesia. Nissan likewise recognizes the fact that deforestation, water pollution, and impacts on indigenous peoples caused by nickel mining in Indonesia have been reported by international NGOs, and states that it has already investigated whether it has transactions with the mining companies concerned.

◆ Honda and Subaru

Honda, on the other hand, responded that “nickel mining may carry compound human rights problems and is one of the priority human rights risk areas,” and that “it has been reported by some research institutions (such as human rights organizations) that there are cases in which nickel mining in Indonesia is causing deforestation and marine pollution and leading to human rights violations.” Subaru responded that “through publicly available information and the like, we recognize that nickel mining in Indonesia is an area in which human rights and environmental challenges may be internationally debated,” repeating this statement. Honda appears to have a more advanced awareness than Subaru, positioning nickel mining as a priority human rights risk and referring to concrete challenges such as deforestation and marine pollution. At the same time, for both companies much of their awareness remains general references based on publicly available information and external reports, and no analysis could be confirmed regarding concrete human rights risks—such as impacts on local residents and indigenous peoples, violations of FPIC, and violations of workers’ rights—or regarding any connection to specific operations or supply chains. Therefore, although a certain degree of awareness of the human rights risks accompanying nickel mining is shown, from the perspective of concrete identification and assessment of risks there is further room for examination, and we classified them as yellow.

◆ Toyota and Mazda

As far as could be confirmed from the publicly available information of Toyota and Mazda, no concrete disclosure regarding the human rights risks specific to nickel mining could be confirmed. Although Toyota refers to human rights risks in the supply chain in its various sustainability-related policies,³⁸ no statement individually identifying and analyzing the human rights risks associated with nickel mining could be confirmed in its publicly available materials. Mazda, too, in the section “Mazda’s Responsible Mineral Sourcing Policy” within its Supplier Sustainability Guidelines,³⁹ touches on issues such as conflict minerals, but no direct reference to human rights risks in nickel mining is found. Based on the above, we classified them as red.

(b) Formulation of Mineral-Sourcing Policies and the Robustness of the Human Rights Perspective

◆ Nissan

Nissan presents a comparatively advanced policy. In its “Responsible Materials Sourcing Policy,” revised in 2025,⁴⁰ Nissan positions EV-battery minerals such as nickel as “raw materials to focus on,” and, within this policy, sets out concrete guidance on the human rights of indigenous peoples and local residents while specifically citing major international human rights standards—

38 Toyota, “Sustainability Related Policies and Guidelines,” https://global.toyota.jp/sustainability/report/policies_guidelines/

39 Mazda, “Supplier Sustainability Guidelines,” https://www.mazda.com/content/dam/mazda/corporate/mazda-com/ja/pdf/sustainability/policy/supplier_sustainability_guideline_j.pdf

40 Nissan, “Responsible Materials Sourcing Policy,” https://www.nissan-global.com/JP/SUSTAINABILITY/LIBRARY/MATERIALS_SOURCING/ASSETS/PDF/Materials_Sourcing_Policy_j.pdf

for example, stating that it will “ensure the ability of Indigenous Peoples and local communities (IPLCs) to give or withhold their FPIC on any activities that might affect their rights, and respects and recognizes the formal and customary land rights of IPLCs in rubber producing regions, and is in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).” Based on the above, we classified it as Blue.

◆ **Subaru, Honda and Mitsubishi Motors**

Subaru has established the Responsible Mineral Procurement Policy and is advancing mica and cobalt investigations in addition to 3TG, which can be positively evaluated; however, it makes no explicit reference to nickel.⁴¹ Subaru’s human rights policy makes some reference to respect for the rights of “indigenous peoples and other vulnerable groups,” which can also be positively evaluated, but this is not set out as part of its mineral-sourcing policy.

Honda has a global human rights policy, and in its Honda Supplier Sustainability Guideline.⁴² It refers to the necessity of supply-chain investigation regarding the sourcing of 3TG and cobalt. On the other hand, there is no explicit reference to nickel, nor any reference to the human rights of indigenous peoples or local residents, and no responsible mineral-sourcing policy or the like has been formulated.

Although Mitsubishi Motors does not have a policy specific to mineral-resource procurement, it makes some reference to conflict minerals in its “Supplier CSR Guidelines.” It has not formulated a responsible mineral-sourcing policy or the like, but it states that it is considering formulating a new policy that includes environmental and human rights due diligence toward sustainable mineral sourcing.

◆ **Toyota and Mazda**

Toyota has published a “Policies and Approaches to Responsible Mineral Sourcing,”⁴³ in which it refers to concerns regarding conflict minerals and cobalt, to supply-chain audits in line with OECD guidance, and the like, and states that it will advance procurement activities that take account of impacts on local communities; however, there is no reference to nickel and no explicit statement regarding the rights of indigenous peoples.

Mazda, in its Supplier Sustainability Guidelines revised in May 2024,⁴⁴ sets out a responsible mineral-sourcing policy, references OECD guidance, and provides for the use of the RMI survey questionnaire and the like; however, the only minerals explicitly referenced are 3TG, and no explicit statement is made regarding impacts on indigenous peoples or local communities.

Based on the above, although the level of response differs among the companies, we evaluated that, with respect to mineral-sourcing policies, further room for examination is needed—particularly regarding the treatment of nickel and the addition to such policies of concrete human rights assessments associated with operations involving critical minerals—and classified them as yellow.

(c) Human Rights Requirements Imposed on Mineral-Resource Suppliers

◆ **Nissan**

According to Nissan’s “Nissan Supplier Sustainability Guidelines,”⁴⁵ Nissan makes the submission of a written confirmation of agreement to these Guidelines a prerequisite for eligibility to receive orders. In addition, the Nissan Supplier Sustainability Guidelines include a section on responsible raw materials sourcing and call for concrete responses—such as advancing due diligence on raw materials and complying with laws related to responsible raw materials sourcing; confirming that the natural resources contained in materials and components do not cause adverse social impacts from a human rights or environmental

41 Subaru, “CSR Procurement,” <https://www.subaru.co.jp/csr/social/procurement.html?id=a0101>

42 Honda, “Honda Supplier Sustainability Guideline,” https://global.honda.jp/procurement/pdf/sustainability_guideline_Jp_2309.pdf

43 Toyota, “Policies and Approaches to Responsible Mineral Sourcing,” https://global.toyota/pages/global_toyota/sustainability/esg/mineral_sourcing_jp.pdf

44 Mazda, “Mazda Supplier Sustainability Guidelines,” https://www.mazda.com/content/dam/mazda/corporate/mazda-com/ja/pdf/sustainability/policy/supplier_sustainability_guideline_j.pdf

45 Nissan, “Nissan Supplier Sustainability Guidelines,” <https://www.nissan-global.com/JP/SUSTAINABILITY/LIBRARY/SUPPLIERS/>

standpoint; and, where adverse impacts are anticipated or confirmed, halting, preventing, or mitigating the risk and implementing measures toward improvement. Furthermore, the above Guidelines state that, where there is a suspicion of a violation, Nissan will require the supplier to investigate the cause and make improvements, and that if no improvement is made, the business relationship may be suspended—indicating a stance of not hesitating to terminate the contract. For this reason, we classified it as blue.

◆ Mitsubishi Motors

Mitsubishi Motors has also formulated Supplier CSR Guidelines⁴⁶ and, like Nissan, requires the submission of a supplier written confirmation of agreement. These Guidelines include an item on “nonuse of raw materials such as conflict minerals that will cause social problems.” On the other hand, the questionnaire response and the description in the Guidelines can also be read as limiting the requirements for corrective measures and the like to compliance violations or violations of laws and regulations. As such, it is not clear what improvement measures the company would require of suppliers where serious human rights risks—such as violations of indigenous peoples’ rights or environmental destruction—are confirmed but do not amount to a finding of a violation of laws or compliance.

◆ Honda

In its “Supplier Sustainability Guidelines” released in 2019,⁴⁷ Honda requires “responsible sourcing of conflict minerals” and supply-chain investigation of all first-tier suppliers, but the content is not concrete. In addition, although there are statements that Honda may require responses such as the Survey of Conflict Minerals Use and Response to human rights/environmental due diligence required by laws, regulations, and statements regarding actions to be taken following guideline violation, these go no further than referring to the possibility of holding off on issuing a new RFQ temporarily, or of taking other actions. While the submission of the Supplier Agreement Form is, under the Sustainability Guidelines, limited to cases in which Honda deems it necessary, according to the questionnaire response Honda in fact requires all direct-materials suppliers to sign and agree to the form.

◆ Subaru

Subaru sets out a responsible mineral procurement policy within its CSR Guidelines⁴⁸ and, in the section on responsible raw material procurement, requires supply-chain investigations such as conflict-minerals investigations and cobalt investigations. From the CSR Guidelines and Subaru’s questionnaire responses, it can be seen that Subaru uses QCDDMES (which adds social factors to quality, cost, and so on) as a selection criterion, and that it requires first-tier suppliers to submit a written confirmation of compliance. Subaru’s CSR Guidelines also contain statements regarding measures in the event of a Guideline violation, but these go no further than referring to issuing a request for improvement and to the possibility of taking measures such as exclusion from the pool of candidate suppliers.

◆ Toyota

Toyota requires suppliers to acknowledge its “Supplier Sustainability Guidelines (revised 2021)”⁴⁹ and recommends that they cascade them to subcontractors at the second tier and beyond. It also includes concrete statements such as that it will strive to build, and continuously implement, a human rights due diligence mechanism in order to fulfill its responsibility to respect human rights; and that, with respect to responsible sourcing of resources and raw materials, it will carry out procurement activities that take account of impacts on local communities arising from the use of raw materials that may cause social problems such as human rights and environmental problems (for example, conflict minerals, cobalt, and natural rubber), and that where there are concerns it will implement measures toward avoiding their use. It makes submission of a compliance confirmation form mandatory. Although there are also statements regarding measures in the event of a Guideline violation, these go no further than very briefly

46 Mitsubishi Motors, “Supplier CSR Guidelines,”

https://www.mitsubishi-motors.com/jp/sustainability/strategy/policy_guideline/pdf/supplier_CSR_guidelines.pdf

47 Honda, “Supplier Sustainability Guidelines,” https://global.honda.jp/procurement/pdf/sustainability_guideline_Jp_2309.pdf

48 Subaru, “Supplier CSR Guidelines,” <https://www.subaru.co.jp/csr/pdf/sup2.pdf>

49 Toyota, “Supplier Sustainability Guidelines,” https://global.toyota/pages/global_toyota/sustainability/esg/supplier_csr_jp.pdf

indicating that, if no improvement is seen, the continuation of the business relationship may be affected.

◆ Mazda

Mazda, too, in its Supplier Sustainability Guidelines revised in 2024,⁵⁰ requires that CSR requirements be propagated to lower tiers at the second tier and beyond. In addition, within the Guidelines it refers to its own responsible mineral sourcing policy and to supply-chain investigations conducted in collaboration with first-tier suppliers. It also requires submission of the Supplier Sustainability Guidelines Consent Form. Although there are statements regarding measures in the event of a Guideline violation, references to Mazda's possible responses and to the possibility of suspending the business relationship are limited to cases of compliance violations only.

Based on the above, although the level of response differs among the companies, we evaluated that, with respect to the human rights requirements imposed on mineral-resource suppliers, all companies other than Nissan has further room for examination, and classified Toyota as green and the others as yellow.

(d) Human Rights Due Diligence Framework for Mineral Resources

◆ Nissan

Nissan has the most developed framework. Nissan has established the “Nissan Sustainability Due Diligence Standard,”⁵¹ which also corresponds to the due diligence policy required under the EU Battery Regulation, and its content broadly accords with the requirements for human rights due diligence set out in the UNGPs. In its questionnaire response, Nissan states that, globally, it advances activities mainly through coordination among its purchasing, compliance, import-export control, and sustainability divisions, and that in each region local task teams carry out the due diligence process. In addition, on page 88 of its Sustainability data book 2025,⁵² Nissan reports that, with respect to 3TG, it conducts due diligence by referring to the OECD “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas,” using the survey questionnaire provided by RMI (the CMRT: Conflict Minerals Reporting Template), tracing the supply chain to identify smelters, and confirming whether those smelters source minerals that fund armed groups in conflict areas; and that for cobalt as well, it has been working since 2018 toward identifying the supply chain and the smelters and refiners.

Furthermore, in the same data book, Nissan indicates its recognition that, in line with the EU Battery Regulation, due diligence is required for battery minerals including nickel, and reports that it is advancing investigations using a third-party investigation agency for these. With respect to battery minerals, its questionnaire response states that in fiscal 2025 it conducted dialogue with suppliers that are currently outside the scope of the regulations and confirmed whether they are implementing responsible sourcing activities. As challenges concerning human rights due diligence, the questionnaire response cites the difficulty of grasping the entire supply chain from Tier 1 to the upstream, and the difficulty of identifying smelters and refiners, noting that even using RMI's template does not lead to sufficient clarification. These are practical challenges faced by companies that take the mineral supply chain seriously, and they suggest that Nissan is sincerely engaging in conducting human rights due diligence that extends to the upstream of the supply chain. As for tracking and evaluation, the questionnaire response states that the purchasing, development, and sustainability-promotion divisions conduct a validity assessment of priority materials once a year.

According to the questionnaire response and page 88 of the Sustainability data book 2025, based on the “Nissan Human Rights Policy,” the Sustainability Committee (held twice a year) discusses human rights activities—including those related to mineral resources—and makes necessary decisions and otherwise advances governance; the results of due diligence are disclosed in the Sustainability data book, an annual report, and are also reported to management. The state of implementation of due diligence is disclosed to a certain degree in the Sustainability data book, an annual report, and its content is said to be reported to management.

50 Mazda, “Supplier Sustainability Guidelines,”

https://www.mazda.com/content/dam/mazda/corporate/mazda-com/ja/pdf/sustainability/policy/supplier_sustainability_guideline_j.pdf

51 Nissan, “Nissan Sustainability Due Diligence Standard,”

https://www.nissan-global.com/JP/SUSTAINABILITY/LIBRARY/DUE_DILIGENCE/ASSETS/PDF/Nissan_DD_Standard_j.pdf

52 Nissan, “Sustainability data book 2025,”

https://www.nissan-global.com/JP/SUSTAINABILITY/LIBRARY/SR/2025/ASSETS/PDF/DB25_J_All.pdf

The content of disclosure in the Sustainability data book is, as described above, more substantial than that of other companies, and a comparatively detailed explanation is given of efforts on responsible mineral sourcing as well. With respect to nickel, due diligence is currently at the stage of being advanced; but with respect to conflict minerals in general, there remains room for improvement in disclosure regarding the content of identified human rights risks and the concrete content of the due diligence conducted. Based on the above, we evaluated the state of implementation of due diligence as blue and information disclosure as green.

◆ Mitsubishi Motors

According to the questionnaire response and page 43 of Mitsubishi Motors' Sustainability Report,⁵³ Mitsubishi Motors conducts due diligence investigations of suppliers as part of human rights due diligence in the supply chain, and, from 2024, has been using AI analysis tools to conduct supply-chain analysis of approximately 800 major suppliers, conducting additional investigations and hearings of suppliers for which the possibility of risk is recognized, and otherwise working to improve the accuracy of risk identification across the supply chain, including mineral resources. According to the questionnaire response, while it positions human rights challenges associated with conflict minerals, cobalt, and mica as particularly important human rights risks, for nickel it is at the stage of advancing its response on a trial basis. As for tracking and evaluation of the effectiveness of responses, the questionnaire response states that it regularly confirms the state of agreement with suppliers, but it does not, for example, re-assess the validity of its current risk assessment. As for disclosure, although the above Sustainability Report contains general statements regarding the human rights due diligence framework and the policy for risk analysis of conflict minerals and the like, it does not reach the level of disclosure required by the UNGPs. Based on the above, we evaluated risk assessment as blue, the human rights due diligence framework as green, and tracking/evaluation and disclosure as yellow.

◆ Honda

According to the questionnaire response, Honda ESG Report,⁵⁴ and its Conflict Minerals Report,⁵⁵ Honda sets out the introduction of human rights due diligence in order to respond to European and U.S. regulations; however, at present its approach is an evasive one of having confirmed that it "has no transactions with Indonesia," and it cannot be confirmed whether effective due diligence is being implemented with respect to minerals such as nickel that are used in EV batteries. There is also almost no information on the state of tracking and evaluation, and the disclosure of implementation results remains extremely general. Based on the above, we evaluated the identification of human rights risks and human rights due diligence as yellow, and the other items as red.

◆ Subaru

According to its questionnaire response, Subaru has established a framework in which, based on its human rights policy, the Representative Director and President serves as the officer responsible for human rights, and in which cross-departmental task teams and the like examine human rights challenges and carry out the PDCA cycle; in the procurement area, a "Purchasing Committee" chaired by the Managing Executive Officer and Chief General Manager of the Purchasing Division promotes CSR procurement activities (sharing of ESG issues and the PDCA cycle). In addition to 3TG, Subaru has established a framework for implementing human rights due diligence based on the UN Guiding Principles for cobalt and mica, and conducts annual investigations of conflict minerals and the like; however, it has not yet conducted such investigations for nickel and plans to advance them in due course.

As for tracking and evaluation, the questionnaire response states that, for investigations of conflict minerals, cobalt, mica, and the like, it conducts follow-up and improvement support as necessary based on the results, and reflects the results in supplier selection and the like. Information disclosure is carried out through its own website, which discloses, among other things, that in 2024 it conducted conflict-minerals investigations covering 401 suppliers of parts and raw materials for mass-produced and service automotive use; and that, having added mica as a new target mineral to the cobalt investigation it had conducted for some

53 Mitsubishi Motors, "Sustainability Report 2025," <https://www.mitsubishi-motors.com/jp/sustainability/esg/report/pdf/report-2025/sustainability2025.pdf>

54 Honda, "Honda ESG Report," <https://global.honda.jp/sustainability/report/>

55 Honda, "Conflict Minerals Report," <https://global.honda.jp/investors/library/cmr.html>

suppliers through 2023, it expanded the scope of investigation to the same 401 suppliers as for the conflict-minerals investigation and conducted mica and cobalt investigations. Based on the above, a certain degree of human rights due diligence framework has been established; although the framework for reviewing priority risks and the like is unclear, tracking and evaluation regarding risk assessment is carried out, and—while there is room for further refinement—disclosure is also being made. We therefore evaluated risk identification as blue and the others, overall, as green.

◆ Toyota

According to pages 76 and 92 of Toyota’s Sustainability Data Book 2025,⁵⁶ Toyota is endeavoring to formulate a framework for the continuous identification and assessment of human rights violation risks and for the reduction and prevention of such risks; with respect to mineral resources, it conducts conflict-minerals audits and RMAP confirmation for cobalt, centered on its CSR division, and there are also statements that it will implement responses in preparation for the EU Battery Regulation, but its substantive plans are not described in the Sustainability Data Book.

◆ Mazda

According to pages 63 to 66 of the Mazda Sustainability Report 2025⁵⁷ and the document titled “Human Rights Due Diligence Efforts in FY2024,”⁵⁸ Mazda launched a project team on human rights due diligence under the direct control of the President in 2024 and, under the advice of CRT Japan, has begun conducting in-house workshops and stakeholder questionnaires. As for critical minerals, the publicly disclosed scope of the 2024 investigation appears to be limited to 3TG.

Based on the above, we evaluated the identification of human rights risks and human rights due diligence as yellow, and the other items as red.

(e) State of Establishment of Grievance Mechanisms and Their Effectiveness

◆ Nissan

In fiscal 2023, Nissan established a “Human Rights Hotline.” According to its questionnaire response, this hotline is characterized as “a remedy mechanism through which stakeholders, including workers and local communities, can file complaints regarding adverse impacts on human rights, the environment, and local communities (including those caused by suppliers).”

On the other hand, according to pages 85 and 96 of Nissan’s Sustainability Report, the hotline is described as a “point of contact that receives complaints from suppliers (the Human Rights Hotline),” and, as far as could be ascertained from a survey of publicly available information as of June 5, 2026, there appears to be no online complaint-submission form or the like on Nissan’s website. According to the questionnaire response, regarding the scope of publicizing this hotline, it is explained that “the remedy system is publicized to suppliers, and through mock reports and questionnaires by five suppliers, we have improved it into expressions that are easy to understand and that make it easy to file complaints. We also clearly communicate the scope of matters subject to reporting (including adverse impacts on human rights, the environment, and local communities) and our policy prohibiting retaliation.” From this, it is inferred to be a mechanism mediated through suppliers.

Page 85 of Nissan’s Sustainability Report explains, with respect to this hotline, that the matters subject to reporting are adverse impacts on human rights, the environment, and local communities (including adverse impacts caused by suppliers); that the target regions are Japan, China, and Europe, with a scheme that supports local languages and enables reporting 24 hours a day, 365 days a year; that complainants will not be retaliated against by Nissan and that Nissan also requires suppliers to prohibit retaliation; and that adverse impacts identified through this channel are reported to top management. While the establishment of such a grievance mechanism itself can be positively evaluated, according to page 85 of Nissan’s Sustainability Report, as of the end of March 2025 the number of cases received was one, and it is stated that no adverse impacts on human rights, the environment,

56 Toyota, “Sustainability Data Book 2025,” https://global.toyota/pages/global_toyota/sustainability/report/sdb/sdb25_jp.pdf

57 Mazda, “Sustainability Report 2025,” <https://www.mazda.com/ja/sustainability/report/>

58 Mazda, “Human Rights Due Diligence Efforts in FY 2024,” https://www.mazda.com/content/dam/mazda/corporate/mazda-com/ja/pdf/sustainability/social/human-rights/human_rights_due_diligence_FYMarch2025_j.pdf

or local communities by Nissan or its suppliers could be confirmed. In addition, because reports must necessarily pass through suppliers, and because publicizing the reporting mechanism is left to suppliers, problems can be anticipated—such as workers of suppliers psychologically hesitating to report, and residents of local communities being unable even to obtain information on where to report. For this reason, at least with respect to the “accessibility” element among the effectiveness criteria for grievance mechanisms set out in UNGP 31, challenges remain. Based on the above, we evaluated it as green.

◆ Mitsubishi Motors

In its questionnaire response, Mitsubishi Motors refers to having joined, in April 2025, the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), a general incorporated association, and to the existence of its own internal whistleblowing system. First, Mitsubishi Motors’ internal whistleblowing system is intended for group employees in Japan and overseas, and covers violations of laws and regulations and compliance violations.⁵⁹ Therefore, compared with the grievance mechanism envisaged by the UNGPs, which receives complaints from a wide range of stakeholders along the value chain, including suppliers’ employees and local residents, its scope is limited.

JaCER is an external point of contact that supports up to 32 languages and allows suppliers’ employees, local residents, and others to file complaints anonymously, and is therefore a mechanism that has usability for a wide range of stakeholders. Joining such an external grievance mechanism is itself something that can be positively evaluated. That said, JaCER is a mechanism that supports member companies’ receipt of and response to complaints while receiving advice from an Advisory Board composed of external experts; the response to complaints, the implementation of remedy measures, the reflection in human rights due diligence, and so on must ultimately be carried out proactively by the member company itself. In addition, publicizing the mechanism to stakeholders along the value chain also depends heavily on the company’s own efforts. On this point, in its questionnaire response Mitsubishi Motors explains that it publicizes the mechanism through email and the like to the entire value chain, including its own group companies and suppliers, and that it also discloses information on the grievance mechanism on its website so that other stakeholders can use it. However, its membership in JaCER is comparatively recent—April 2025—and the number of complaints received in the past fiscal year was zero. Therefore, at present it is difficult to sufficiently confirm whether the mechanism is actually recognized by rights holders and is in a usable state.

Taking the above into account, although the efforts toward establishing a grievance mechanism can be positively evaluated, with respect to the effectiveness criteria required by UNGP 31—particularly “accessibility”—verification based on future operational track record and usage will be necessary; we therefore rated it as green.

◆ Subaru

Although Subaru explains that it has established a consultation desk for employees, a Compliance Hotline (for employees and dispatched workers working at group companies in Japan),⁶⁰ a consultation desk for suppliers, and the like, workers along the supply chain—such as workers at mining sites—and local communities are considered to be outside the scope of use of these desks; compared with the grievance mechanism envisaged by the UNGPs, which receives complaints from a wide range of stakeholders along the supply chain, including suppliers’ employees and local residents, the scope of these desks is limited. Subaru also explains that it participates in a consultation desk (supporting 22 languages) through the framework of JP-MIRAI; however, JP-MIRAI’s consultation desk is one that provides advice, remedy, and the like mainly to foreign workers staying in, or aiming to stay in, Japan,⁶¹ and although joining it has significance, its scope is likewise more limited than the grievance mechanism envisaged by the UNGPs. Based on the above, we rated it as yellow.

59 Mitsubishi Motors, “Compliance,” <https://www.mitsubishi-motors.com/jp/sustainability/governance/compliance.html>

60 Subaru, “Compliance Hotline,” <https://www.subaru.co.jp/csr/governance/compliance.html>

61 JP-MIRAI, “Implementation Report | JP-MIRAI Assist (JP-MIRAI Foreign Worker Consultation and Remedy Pilot Project),” <https://www.cinga.or.jp/reports/6427/> and JP-MIRAI pamphlet https://jp-mirai.org/wp-content/uploads/%E3%83%91%E3%83%B3%E3%83%95%E6%97%A5%E6%9C%AC%E8%AA%9E_2601.pdf

◆ **Honda**

In response to the questionnaire, Honda answered that “for first-tier suppliers, we have established a business-ethics proposal desk. Going forward, we are considering introducing a grievance mechanism as a system broadly disclosed to society at large.” Based on the above, it can be said that early improvement is needed regarding the construction of a system usable also by workers at mining sites and by local communities, and we rated it as red.

◆ **Toyota**

Toyota announced that it joined JaCER in April 2026, and Mazda that it joined in June 2025; however, the same problems as for Mitsubishi Motors above remain. Because these companies have not published the number of complaints received or the means of publicizing the grievance mechanism, we evaluated them as yellow.

(f) State of, and Stance Toward, Stakeholder Engagement on Mineral Resources (Centered on EV Raw Materials)

◆ **Mitsubishi Motors**

According to its questionnaire response, Mitsubishi Motors held a dialogue with Amnesty International in November 2024 and explained its efforts on supply-chain due diligence, among other things, demonstrating its engagement with civil society. It also responded that it conducts ESG dialogue with institutional investors. In addition, as matters of concern, it responded that “mineral resources and materials are at the center of the challenges, but there are difficulties in identifying their relevance to our own products. We believe that industry-wide efforts are desirable, but in information sharing there is a possibility that competition-law constraints arise, and transparent information sharing within the industry is currently difficult,” and that “when a serious human rights violation comes to light at a mineral-resource or material supplier, there are limits to corrective measures by a single company. We believe it is necessary to build a framework in which the State, NGOs, NPOs, and operating companies (OEMs) work together to address the challenges, and we would like to cooperate in realizing it”—thereby indicating the possibility of collaboration toward building a framework that envisages a wide range of stakeholders.

◆ **Nissan, Subaru, Honda, Toyota and Mazda**

As for the other companies, there is either no information indicating that they conduct stakeholder engagement on mineral resources centered on nickel or other EV raw materials, or they are at the stage of beginning collaboration with suppliers, and concrete engagement practices are judged to be limited or absent; we therefore evaluated them as red.

(g) Individual Responses and Corrective Measures for Human Rights Problems in Nickel Mining

At all companies, efforts are at the stage of having begun—or not yet begun—to examine the human rights problems and risks in nickel mining, and no events that would lead to concrete individual responses or corrective measures could be ascertained. Based on the above, we evaluated that, at present, individual responses and corrective measures for human rights problems in nickel mining do not exist, and rated all companies as red.

Comparison with European Companies

Amid the international strengthening of corporate responsibility, the major European automobile manufacturers have substantially expanded their frameworks for human rights due diligence and responsible mineral sourcing. Here, taking two European companies (the Volkswagen (VW) Group and the BMW Group) as subjects, we compare their human rights responses in the supply chain—centered on nickel for EV batteries.

(a) Awareness of Human Rights Problems Related to Nickel Mining

◆ VW

In October 2022, in response to the problem of human rights violations by the nickel industry in North Maluku, Indonesia, reported by the Asia edition of the Nihon Keizai Shimbun (the Nikkei Asia), VW expressed strong concern and took the position that, with respect to local projects in which it might be involved, “the joint venture project of Volkswagen quoted in the Nikkei Asia article is subject to ongoing negotiation and not approved yet. Prior to any engagement Volkswagen will make sure that our values are upheld and that our global sustainability and compliance standards are fulfilled.”⁶² Furthermore, on page 25 of the Responsible Raw Materials Report for the 2024 financial year, the company clearly states its awareness of the social and environmental issues associated with nickel and declares its intention to address them.⁶³

◆ BMW

BMW also accurately identifies nickel-specific issues, including impacts on local communities and Indigenous Peoples, violations of labour rights, and insufficient government oversight, in its 16-page document entitled Responsible Raw Material Management.⁶⁴

◆ VW and BMW

Furthermore, according to recent reports, in response to pressure from investors regarding the risks of deforestation and human rights abuses in Indonesia’s nickel industry, European car manufacturers—including VW and BMW—have joined the ‘Nickel Impact Programme Indonesia (NIPI)’, in collaboration with local communities and government agencies, and have begun working to improve healthcare services for local residents, enhance access to safe drinking water, and restore aquatic ecosystems.⁶⁵

(b) Human Rights Requirements Imposed on Mineral-Resource Suppliers

◆ VW

In its Code of Conduct, VW requires suppliers to comply with labor, human rights, and environmental standards set by VW, and obliges them to sign at the time of contract conclusion and at each annual renewal.⁶⁶ Furthermore, since 2019 VW has introduced a Sustainability Rating (S-Rating) for important suppliers, operating a system under which companies whose ratings fall below the standard have their eligibility for new orders suspended.⁶⁷ VW’s guidelines also provide that all Tier 1 suppliers shall convey requirements equivalent to VW’s own to their lower-tier suppliers, so that the cascade of requirements throughout the supply chain is institutionalized.⁶⁸

62 Volkswagen Group, “Volkswagen Group’s response”, 11 Apr. 2022, <https://www.business-humanrights.org/en/latest-news/volkswagen-groups-response-2/>

63 Volkswagen Group, “Responsible Raw Materials Report 2024”, 26 Mar. 2025, <https://www.volkswagen-group.com/en/publications/more/responsible-raw-materials-report-2024-2986>

64 BMW Group, “Responsible Raw Material Management at the BMW Group.”, Mar. 2026, https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup.com/responsibility/downloads/en/2026/260311_Rohstoffmanagement_EN.pdf

65 Catherine Early, “Investors push for action to end deforestation and human rights risks in nickel mining”, Reuters, 8 Apr. 2026, <https://www.reuters.com/sustainability/society-equity/investors-push-action-end-deforestation-human-rights-risks-nickel-mining--ecmii-2026-04-08>

66 Volkswagen Group, “The Code of Conduct of the Volkswagen Group”, 17 Sept. 2025, <https://www.volkswagen-group.com/en/publications/more/the-code-of-conduct-of-the-volkswagen-group-1882>

67 Volkswagen Group, “Sustainability Rating (S-Rating)”, visited: 2 July 2026, https://vwgroupsupply.com/one-kbp-pub/en/kbp_public/information/nachhaltigkeit_neu_pub_2019/sustainability_rating_s_rating_2/sustainability_rating_s_rating_3.html

68 Volkswagen Group, “Code of Conduct for Business Partner”, 28 July 2023, <https://www.volkswagen-group.com/en/publications/more/code-of-conduct-for-business-partner-1885>

◆ BMW

BMW also stipulates in its Supplier Code of Conduct that its direct suppliers are required to comply with applicable legal requirements and social and environmental standards, and to ensure that their own suppliers and subcontractors conduct due diligence.⁶⁹

(c) Human Rights Due Diligence Framework for Mineral Resources

◆ VW

VW integrates the entire human rights due diligence process through its newly established Responsible Supply Chain System (ReSC).⁷⁰

ReSC has a system in place that classifies each business partner into high-risk, medium-risk or low-risk categories based on regular risk analyses, and applies standard monitoring (including the Code of Conduct, a grievance mechanism, media-based screening, sustainability assessment and supplier training) for all suppliers, whilst implementing an intensive investigation (such as the Human Rights Focus System—which involves more detailed analysis and the implementation of measures—and conducting raw material due diligence for suppliers across multiple tiers) for high-risk companies. As detailed on pages 9 to 13 of VW's Responsible Raw Materials Report for 2024, the company operates a Raw Material Due Diligence Management System (RMDDMS) in line with OECD guidance for 18 critical minerals, including nickel. It endeavours to identify human rights and environmental risks down to the mining site level and publishes these efforts in its Raw Materials Report.⁷¹

◆ BMW

BMW conducts risk analyses for each mineral resource; with regard to nickel, BMW has identified deforestation, loss of biodiversity, environmental pollution caused by mining, violations of workers' rights, and violations of the rights of local communities and indigenous peoples as key risks.⁷² Furthermore, the company is working to mitigate these risks through measures such as securing commitments from suppliers to comply with ESG standards, implementing corrective actions following audits, and establishing traceability systems.⁷³

(d) The Status of Grievance Mechanisms and Their Effectiveness

◆ VW

VW has established highly detailed standards and regulations governing its grievance mechanisms, which are published in multiple languages.⁷⁴ Reports can be submitted via email; there are no restrictions on who may submit a report, and the mechanism covers human rights and environmental risks that may arise from Volkswagen AG, its subsidiaries or its direct or indirect suppliers.⁷⁵ Furthermore, whilst it does not provide details on how it has addressed instances of non-compliance occurring within the supply chain, it does disclose the number of reports received. VW reported that, through its own supply chain complaints mechanism, it processed a total of 180 reports of human rights and environmental risks in 2025, and announced that it had suspended business with nine companies.⁷⁶

69 BMW Group, "BMW Group Supplier Code of Conduct.", Dec. 2022,

<https://www.bmwgroup.com/en/sustainability/supply-chain/popup/supplier-code-of-conduct.html>

70 Volkswagen Group, "Sustainability in the Supply Chain", visited: 2 July 2026, <https://www.volkswagen-group.com/en/sustainability-in-the-supply-chain-16113>; and Volkswagen Group, "Sustainability Report: Annual Report 2025", <https://annualreport2025.volkswagen-group.com/sustainability-report/social-information/sustainability-in-the-supplychain.html>.

71 Volkswagen Group, "Responsible Raw Materials Report 2024", 26 Mar. 2025,

<https://www.volkswagen-group.com/en/publications/more/responsible-raw-materials-report-2024-2986>

72 BMW Group, *supra*, note 64.

73 *Ibid.*

74 Volkswagen-group, "RULES OF PROCEDURE for the Volkswagen Group Complaints Procedure", 27 May 2025,

<https://www.volkswagen-group.com/en/publications/more/rules-of-procedure-for-the-volkswagen-group-complaints-procedure-2007>

75 *Ibid.*

76 Volkswagen Group, "ESG Factbook", <https://www.volkswagen-group.com/de/esg-factbook-15801>

◆ BMW

BMW operates a system known as the ‘Human Rights Supply Chain Liaison’, which handles reports regarding potential breaches of the BMW Group’s sustainability policy within its supplier network. Reports can also be submitted via email.⁷⁷

(e) The status of stakeholder engagement regarding mineral resources, with a focus on EV raw materials; the company’s approach to such engagement; and specific responses and corrective measures regarding human rights issues in nickel mining

◆ VW and BMW

Both VW and BMW are members of the Initiative for Responsible Mining Assurance (IRMA), a consortium comprising businesses, mining companies and non-profit organisations, and are working to implement best practices in social and environmental standards within the mining sector, including nickel mining.⁷⁸ Whilst there are currently no public records of specific corrective measures taken by individual companies in relation to nickel mining cases, both VW and BMW have announced their participation in the ‘Nickel Impact Programme Indonesia (NIPI)’, which was launched in 2025.⁷⁹ NIPI is a joint initiative aimed at addressing the impact of the nickel industry on local communities and the environment on the island of Halmahera in Indonesia; it supports research and implementation projects relating to the improvement of healthcare services for local residents, better access to safe drinking water, and the conservation and restoration of aquatic ecosystems.⁸⁰

Implications from the Japan–Europe Comparison

A comparison of eight Japanese and European companies reveals that, whilst not yet perfect, both VW and BMW are striving to enhance the sophistication and transparency of human rights risk management across their overall business operations. They are more advanced than Japanese companies in terms of risk analysis relating to nickel and the maturity of their human rights due diligence frameworks; furthermore, VW has also established an effective grievance system. Such initiatives are considered to be useful references for Japanese companies when managing human rights risks associated with the use of nickel.

77 BMW Group, "Our respect for people and the environment.", visited: 2 July 2026, <https://www.bmwgroup.com/en/sustainability/human-rights.html#accordion-35315f2e1f-item-11b970dcd>

78 Volkswagen Group, "Volkswagen Group joins the Initiative for Responsible Mining Assurance (IRMA)", 17 Mar. 2022, <https://www.volkswagen-group.com/en/press-releases/volkswagen-group-joins-the-initiative-for-responsible-mining-assurance-irma-16820>; and BMW Group, "Sustainability: Minerals derived from responsible mining.", visited: 2 July 2026, <https://www.bmwgroup.com/en/news/general/2020/responsible-mining.html>

79 BMW Group, supra, note 64; and Early, supra, note 65.

80 Ibid.

5

Laws and Regulations Overseas

Environmental Problems and Human Rights

As efforts toward realizing carbon neutrality as a measure against climate change are being advanced in the international community, the organs of the United Nations and the committees that monitor the implementation of human rights treaties have also issued the view that the enjoyment of an adequate environment is one of human rights. In 2019, in a General Comment publishing its interpretation of the provisions of the International Covenant on Civil and Political Rights (ICCPR), the Human Rights Committee stated that environmental degradation, climate change, and unsustainable development constitute some of the most pressing and serious threats to the ability of present and future generations to enjoy the right to life.⁸¹ In 2021, the Human Rights Council adopted a resolution recognizing a safe, clean, healthy, and sustainable environment as a human right.⁸² Furthermore, in 2022, the UN General Assembly adopted a resolution declaring that access to a clean and healthy environment is a universal human right.⁸³

Within this current, companies, too, are being called upon to identify, prevent, and mitigate the adverse impacts on the environment and human rights that may arise in their business activities, and in various countries and regions there is a movement to make environmental and human rights due diligence mandatory such as corporate sustainability due diligence directive (CSDDD).

The EU Battery Regulation

Amid the recognition that the relationship between environmental and human rights problems is inseparable, in the EU the European Battery Regulation (Regulation (EU) 2023/1542) was enacted in the form of upgrading the previously existing Battery Directive into a regulation. The main purpose of the Regulation is, as part of the Green Deal policy that seeks to reconcile decarbonization with economic growth, to achieve sustainability throughout the entire life cycle of a battery—from material sourcing through to collection, recycling, and reuse. In addition, in the current energy situation, it is intended to promote the development of a competitive and sustainable battery industry and to support Europe’s clean energy and its independence from fuel imports.⁸⁴ This Regulation is to apply to almost all categories of batteries placed on the market or put into service within the EU, regardless of their intended use and regardless of whether they were manufactured within the EU or imported.⁸⁵ Its principal provisions concern the collection, treatment, and recycling of waste batteries⁸⁶; mandatory labeling of the carbon footprint⁸⁷; the provision of clear information on batteries to end users and the introduction of a battery passport to secure traceability⁸⁸; and due diligence aimed at promoting environmentally and human rights-conscious sourcing.⁸⁹ As stated earlier, with respect to the nickel used as a battery material for the electrification of automobiles undertaken as part of realizing carbon neutrality, human rights violations against local residents, indigenous peoples, workers, and others are occurring in mine development, including its mining activities. With respect to such mineral resources that may cause human rights violations, this Regulation sets out provisions on

81 Human Rights Committee, <https://docs.un.org/ccpr/c/gc/36>, para.62.

82 Human Rights Council, <https://docs.un.org/a/hrc/48/1.23/rev.1>

83 General Assembly, <https://docs.un.org/A/RES/76/300>. Draft resolution A/76/L.75 was adopted by 161 votes to none, with 8 abstentions (resolution 76/300).

84 European Commission, “Batteries,” https://environment.ec.europa.eu/topics/waste-and-recycling/batteries_en

85 Regulation (EU) 2023/1542, Article 1 (Scope).

86 Ibid., Articles 59–76

87 Ibid., Articles 7 and 8; Annex II

88 Ibid., Articles 13, 14 and 77–78; Annex XIII.

89 Ibid., Articles 47–53; Annex X (due diligence obligations for economic operators placing batteries on the market).

due diligence in Chapter 7, in order to secure transparency in the supply chain from raw-material sourcing onward and to reduce the risk of causing serious social and environmental problems. The minerals subject to due diligence are cobalt, natural graphite, lithium, nickel, and chemical compounds based on these raw materials.⁹⁰

With respect to due diligence, the Regulation provides for the formulation of a due diligence policy (Article 48); the establishment of an internal management system and a remedy mechanism for carrying out due diligence and the establishment and operation of systems of control and transparency (Article 49); the identification and assessment of risks and the establishment and implementation of policies for responding to the identified risks in order to prevent and mitigate adverse impacts (Article 50); third-party verification of the battery due diligence policy (Article 51); and the disclosure of information regarding the battery due diligence policy (Article 52).

With respect to due diligence, the Regulation obliges manufacturers, importers, distributors, and others to investigate, in the supply chain of the minerals concerned, not only environmental risks but also human rights risks such as occupational safety and health, child labor, forced labor, discrimination, freedom of association of trade unions, and community life including that of indigenous peoples.⁹¹ It also requires that a due diligence policy be adopted and operated in accordance with internationally recognized documents such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, the UNGPs, and the OECD Guidelines for Multinational Enterprises and the OECD guidance on due diligence.⁹² Obliging companies to adopt and operate a due diligence policy consistent with such internationally recognized documents is, in the present age in which cross-border corporate business activity has become the norm, indispensable—also in the sense of bridging the governance gap—and is consistent with the purpose of the UNGPs.

Furthermore, with respect to the battery passport, which aims at securing transparency, traceability, and information disclosure in the supply chain, it is to include, in addition to the battery manufacturer and information such as the place, date of manufacture, and capacity, information on the carbon footprint.⁹³ In addition, certain information regarding due diligence and responsible sourcing of raw materials is to be included, and this will be made available to users and relevant parties.⁹⁴

Although there is much debate regarding the effectiveness of this regulation, it has a significant impact on corporate behaviour. Indeed, as analysed above, major European car manufacturers, including VW and BMW, are strengthening their policies on responsible mineral sourcing and their supply chain management systems, and are taking steps to comply with the due diligence and traceability requirements set out in the Battery Regulation.

In Response to Regulations Overseas

At present, there is no law or regulation in Japan that obligates companies to conduct environmental and human rights due diligence. However, depending on the company, some companies are subject to foreign laws and regulations—in addition to the European Battery Regulation, such as the CSDDD, which obligates the implementation and disclosure of due diligence with respect to human rights and the environment. Accordingly, at the present point in time, in the context of human rights, Japanese companies are required to fulfill their responsibility by complying with regulations overseas and on the basis of internationally recognized documents and of Japan’s domestic, non-legally-binding guidelines.

Because regulations overseas sometimes set thresholds for coverage based on company size and the like, there are also many Japanese companies to which such laws and regulations do not apply. However, the existence of a responsibility to respect human rights is not determined by the applicability of legal regulations. The UNGPs make it clear that all enterprises, regardless of their size, sector, ownership structure or business environment, have a responsibility to respect human rights. Furthermore, the ‘OECD

⁹⁰ Regulation (EU) 2023/1542, Article 48(1) and Annex X, Part A.

⁹¹ Regulation (EU) 2023/1542, Art. 50, Annex X.

⁹² Regulation (EU) 2023/1542, Art. 49, Annex X.

⁹³ Regulation (EU) 2023/1542, Arts. 77, Annex XIII.

⁹⁴ Ibid.

Guidelines for Multinational Enterprises on Responsible Business Conduct’ and the ‘ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy’ also call for companies to conduct their business activities responsibly. Moreover, addressing human rights due diligence is no longer merely a matter of legal obligations; it has become an issue that affects a company’s competitiveness and the continuity of its business relationships. Under regulations in various countries and regions, including the CSDDD and the EU Battery Regulation, it is expected that companies subject to these regulations will require their business partners to address human rights and environmental risks. In particular, the EU Battery Regulation requires responsible sourcing of raw materials and due diligence within the battery supply chain; even where Japanese companies are not directly subject to the regulation, those involved in the supply chain for batteries or their raw materials may be required by their business partners to carry out appropriate human rights due diligence and disclose relevant information. Furthermore, with the tightening of import restrictions relating to forced labour, the risk is increasing that products suspected of being linked to human rights abuses will lose market access.

Given this situation, the Japanese Government is required not only to encourage companies to comply with the laws and regulations of other countries, but also to establish an effective legal framework for human rights due diligence within Japan. As set out in the UNGPs, the Government has the primary responsibility to design effective legal systems and other measures to protect human rights, and to oblige companies to respect human rights. Therefore, whilst ensuring consistency with the UNGPs, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and other international standards, the Japanese Government must proceed with the development of effective domestic systems concerning human rights due diligence and access to remedies, and promote responsible business activities by companies. Furthermore, such measures are also essential from the perspective of securing and enhancing the international competitiveness of Japanese companies.

6

Recommendations to the Japanese Government and Companies

To the Japanese Government

1. Legislation to establish obligations concerning the implementation of effective human rights and environmental due diligence amongst other measures

- (1) Enact a law that obligates all large companies, including those in the mining industry and the automotive industry, to implement and report on effective human rights and environmental due diligence in accordance with international standards (including the disclosure of supply-chain lists). When enacting legislation, a system must be established that ensures its effectiveness, for example by requiring a commitment from corporate management.
- (2) Because government support for companies to conduct human rights due diligence is indispensable in making this mandatory, realize at an early stage such measures as the establishment of a data-linkage platform on supply chains in Japan and abroad,⁹⁵ and the launch of a platform for evaluating each company's human rights due diligence implementation policies and for sharing best practices.⁹⁶

2. Establish a national human rights institution

- (1) Establish a national human rights institution independent of the government in accordance with the Paris Principles, and provide victims of human rights abuses with access to remedy.
- (2) Ensure that the national human rights institution is able to monitor, make recommendations on, advise on, and support the implementation of human rights due diligence by companies and the government.

3. Ratify ILO Convention No. 169 and develop domestic laws

- (1) Ratify ILO Convention No. 169 and develop domestic laws on its basis.
- (2) Request that companies operating outside Japan also thoroughly protect rights, so that indigenous peoples can effectively participate and be consulted in the decision-making process for policy directions concerning business activities that affect the lives, culture, traditions, economy, and the like of indigenous peoples.

4. Reaffirm true sustainability

- (1) Implement measures that focus on the adverse risks associated with the energy transition, while ensuring that responses to environmental challenges are not weakened and that such responses do not cause human rights abuses.
- (2) Prioritize measures that place emphasis on raising corporate awareness and strengthening corporate capacities from the perspective of a just transition.

⁹⁵ For example, such initiatives as the expansion of data linkage on human rights due diligence by the Automotive and Battery Traceability Center (<https://abtc.or.jp/>), and the verification of interoperability in automotive-industry data sharing between the Information-technology Promotion Agency (IPA), an Independent Administrative Institution, and Catena-X Automotive Network e.V. (<https://www.ipa.go.jp/pressrelease/2024/press20240423.html>).

⁹⁶ The European Commission launched in October 2025 a platform called the “Responsible Minerals Information System (ReMIS),” on which companies can register and disclose their policies and implementation status related to due diligence in mineral sourcing (<https://ec.europa.eu/responsible-mineral-sourcing/portal/#/>).

To Japanese Companies

1. Strengthening management-level commitment to human rights initiatives

- (1) Establish a governance structure to ensure the effectiveness of human rights due diligence initiatives, including by securing senior management's commitment to the company's human rights policy.
- (2) Position human rights efforts as a management priority to ensure that the company's business model complies with international human rights standards, and secure the necessary human and financial resources to support this.

2. Effective identification of human rights risks and the implementation of corrective measures

- (1) Conduct meaningful engagement with rights holders and other relevant stakeholders when investigating, identifying, and prioritizing human rights risks, and take their views into account.
- (2) Clearly disclose the human rights risks identified, as well as the content of and plans for corrective measures to address them.

3. Introduce mining-specific identification and assessment of human rights risks

- (1) Identify and assess human rights risks, taking into account the specific environmental context of the mining industry, and prioritise such risks based on the severity of human rights impacts rather than their impact on business operations.
- (2) Exercise leverage over suppliers by incorporating the results of risk assessments into procurement policies and contract terms, and implement specific measures for prevention, mitigation, redress, and remediation.

4. Establish effective grievance mechanisms

- (1) Establish a grievance mechanism that satisfies the effective criteria for grievance mechanisms set out in UNGP31. In particular, establish a grievance mechanism premised on a wide range of stakeholders—accessible also to local community residents, indigenous peoples, informal workers, seasonal workers, and the like—and thoroughly publicize it.
- (2) Even where an external grievance-mechanism support scheme is used, the company should be proactively involved—proactively examining the content of the allegations received and connecting them to appropriate remedy measures and recurrence-prevention measures, and thoroughly publicizing the mechanism to stakeholders along the value chain. On that basis, operate the mechanism responsibly so as to satisfy the effectiveness requirements set out in UNGP 31.

5. Investigation of human rights risks concerning indigenous peoples and the implementation of measures

- (1) As rights holders with a particularly high vulnerability to human rights risks, investigate—on the basis of ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples—the existence, severity, scale, and possibility of remedy of rights violations against indigenous peoples.
- (2) Ensure the implementation of FPIC is effective rather than merely formal.

6. Conduct dialogue-based supplier investigations

- (1) Rather than relying on conventional, one-sided audit-style methods, introduce an approach that grasps the capacity constraints and structural challenges that suppliers face in complying with human rights standards, and that promotes

constructive dialogue between the company and suppliers and the formulation of improvement measures.

- (2) Move away from audit-centered compliance and, in cooperation with suppliers, NGOs, and trade unions, build a systematic partnership that addresses the labor and environmental risks that cause human rights violations and that aims at continuous improvement.

7. Implement stakeholder engagement and a collaborative approach

- (1) Conduct meaningful engagement with external stakeholders such as NGOs and trade unions, so as to enhance the grasp of the actual state of human rights violations and the effectiveness of corrective measures.
- (2) Develop a framework for working collaboratively through cross-industry networks and platforms.
- (3) As a mechanism for incorporating workers' views into corporate policy, establish a scheme specifically designed to gather feedback from workers at the upstream end of the supply chain—particularly those at mining sites—and collect views on the working environment and incorporate these into corporate policy.

8. Strengthen internal corporate capacity

- (1) To develop personnel responsible for corporate human rights due diligence, conduct training on international human rights standards and human rights due diligence in line with these standards, and thereby enhance the capacity to identify, prevent and remedy risks of human rights and labour rights violations in the mining sector.