

International Conference

Universities Developing Social Entrepreneurship through Cross-sector Collaboration

Experiencing the power of cross-sector

September 2015

Caux Round Table Japan

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CAUX  ROUND TABLE

Outline

Introduction

The history of Caux Round Table

What Caux Round Table Japan is doing

- 2-1. Our main activities (PSR, CSR, Partnership)
- 2-2. Global CSR Trends & challenges for Japanese companies
- 2-3. Our approach

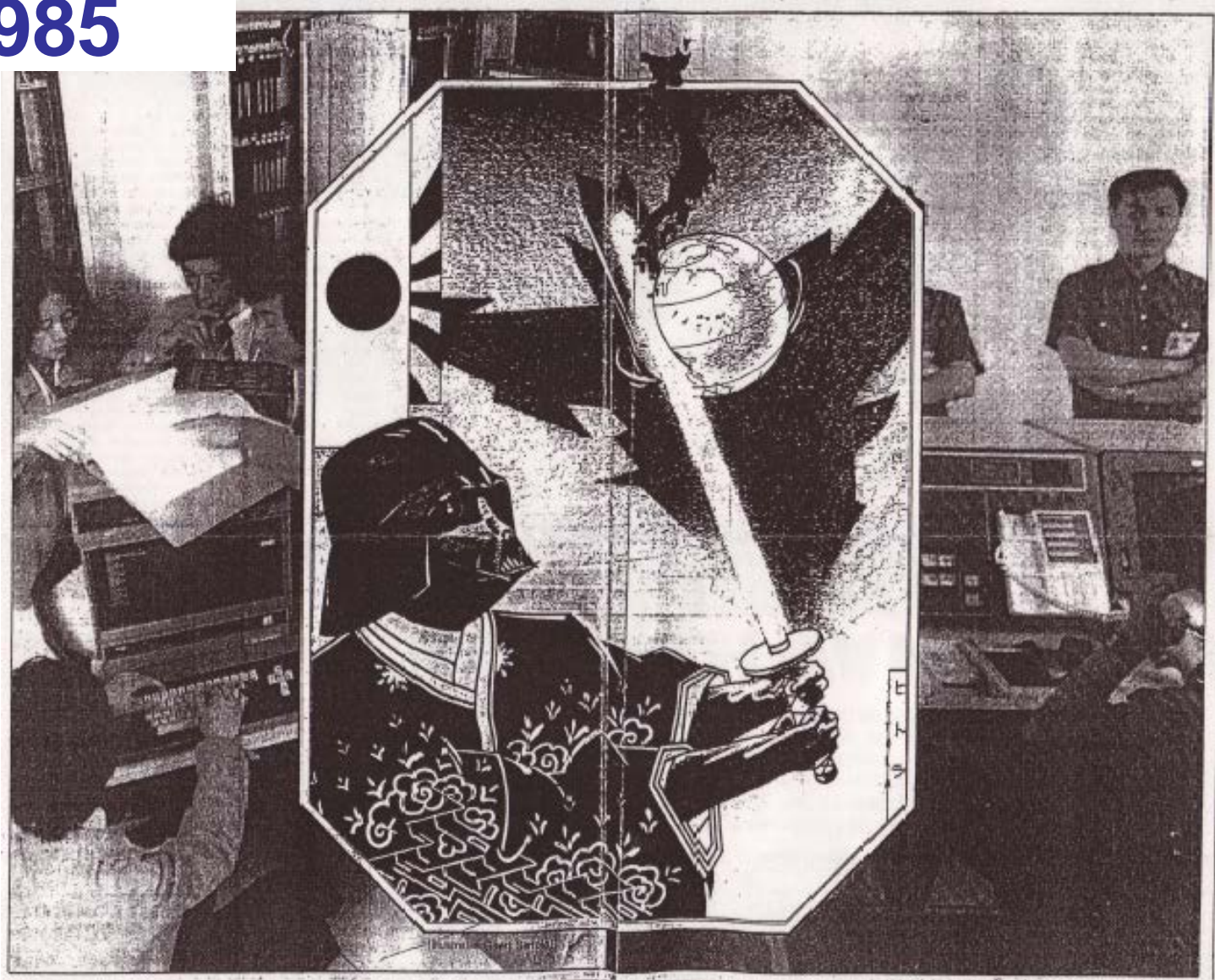
Introduction

History of Caux Round Table

The history of Caux Round Table



In 1985



On 8 May 1985, NRC Handelsblad in Netherlands carried the article on the front page whose title was “delusive smile of Japan”.

In 1986 Establishment of Caux Round Table



Founder

Frederick Philips

(former President of Philips Electronics)

Olivier Giscard d'Estaing

(former Vice-Chairman of INSEAD)

Aim

1. Easing trade friction and developing a sound economic & social relationship between Europe, U.S., and Japan.
2. Building shared understanding of corporate responsibility towards society.

In 1986 The 1st Global Dialogue

August 26-27

Theme:

“to seek new attitude that hasten resolution of trade friction.”



Principle of Caux Round Table

Member of the Caux Round Table believe that the business executives have to consider the impact of their decision on society in mid and long term before making a decision.

Questions to be asked when making a decision:

Is there value that can be shared as human beyond cultural differences?

Is it based on firm principle?

Does it consider the sustainable development of society?

Caux Round Table motto

“Putting one’s own house in order and seeking to establish what is right rather than who is right”

In 1994

Caux Round Table Principles for Business



Stakeholder

**Human
Dignity**

Kyosei

US

Europe

Japan

In 1994 Launch of the Caux Round Table Principles for Business

1. General Principles

i. Kyosei

Living and working together for the common good enabling cooperation and mutual prosperity to coexist with healthy and fair competition.

- **Human dignity**

“Human dignity” refers to the sacredness or value of each person as an end, not simply as a mean to the fulfillment of others’ purposes or even majority presentation.

- **Stakeholder Principles**

The dignity and interests of stakeholders are respected.

Caux Round Table Principles for Business

Principles for Business General Principles

- Principle 1. The responsibilities of Business:
Beyond Shareholders Toward Stakeholders
- Principle 2. The Economic and Social Impact of Business:
Toward Innovation, Justice, and World Community
- Principle 3. Business Behavior:
Beyond the Letter of Law Toward a Spirit of Trust
- Principle 4. Respect for Rules
- Principle 5. Support for Multilateral Trade
- Principle 6. Respect for the Environment
- Principle 7. Avoidance of Illicit Operations

Caux Round Table Principles for Business

Principles for Business Stakeholder Principles

- Customers
We believe in treating all customers with dignity, irrespective of whether they purchase our products and services directly from us or otherwise acquire them in the market.
- Employees
We believe in the dignity employee and in taking employee interests seriously.
- Owners/Investors
We believe in honoring the trust out investors place in us.
- Suppliers
Our relationship with suppliers and subcontractors must be based on mutual respect.

Caux Round Table Principles for Business

Principles for Business Stakeholder Principles (Continued)

- Competitors

We believe that fair economic competition is one of the basic requirements for increasing the wealth of nations and ultimately for making possible the just distribution of goods and services.

- Communities

We believe that as global corporate citizens we can contribute to reform and human rights in the communities in which we operate.

Caux Round Table Principles for Business

Largely have influenced on global initiatives and standards.

e.g. UN Global Compact Principles, ISO26000
Keidanren Charter for Good Corporate Behavior (Japan)
AliaRSE(Mexico)



Our Value, Vision and Mission

Value

“Putting one’s own house in order, and on seeking to establish what is right”

Vision

Our vision is building up a free, fair and prosperous global society built on the twin pillars; moral capitalism and responsible government.

Mission

Our mission is putting moral capitalism to work by ensuring business contribution to greater prosperity, sustainability and fairness.

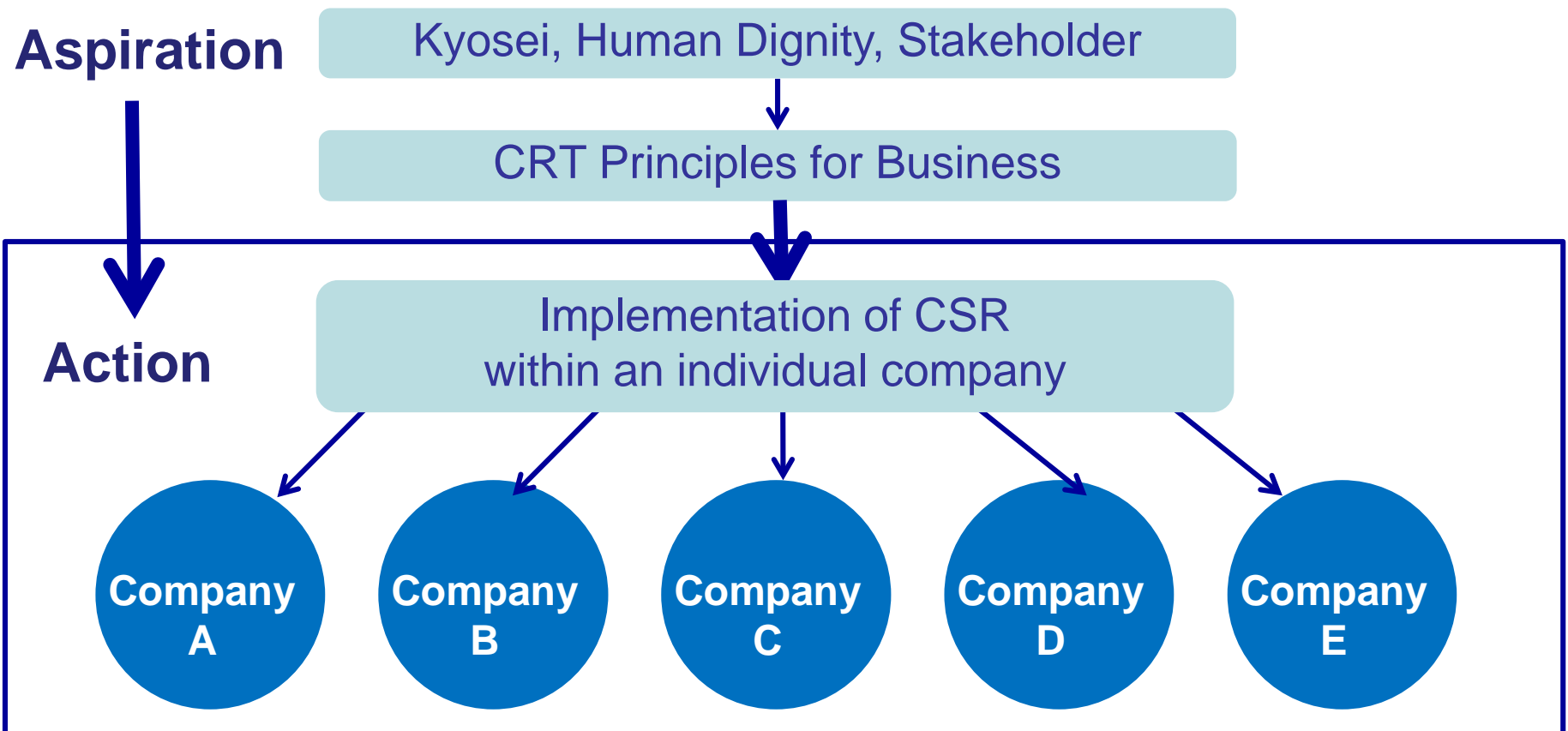
2. What Caux Round Table Japan is doing

2-1. Our main activities (PSR, CSR, Partnership)

Caux Round Table Japan

Established in 2000, registered as NPO in 2006

Our activities/services : From Aspiration to Action



Caux Round Table Japan: our activities

Aspiration

Kyosei and Human Dignity, Stakeholder

CRT Principles for Business

Implementation of CSR
within an individual company

Action

PSR Provide human development training for executives and principled business leaders

CSR Help to integrate CSR into business strategies

Partnership Facilitate collaboration between companies, NGO/NPOs and academics

2-2. Global CSR trends and Challenges for Japanese companies

Global CSR trends

Self-interest considered upon the whole society



Change in corporate evaluation criteria



Change in factors of business growth
& competitiveness



Creating Shared Value

ISO26000

Principles for Responsible
Investment

Integrated Reporting

Global CSR trends

1982: Principle of Sustainable Development

1992: Rio Declaration,
Action Plan 'Agenda 21'

1986: Caux Round Table established

1994: CRT Principle for Business

(1992: UNEP FI inauguration)

1998: ILO Core Labor Standards

2000: GRI

2000: OECD Guidelines for Multinational Enterprises (Revision)

2000: UNGC

2000: Millennium Development Goals

2006: PRI

2008: Ruggie Report, Human Rights Due Diligence

2010: ISO26000

2011: Creating Shared value

2013: Post-2015 Business Engagement Architecture

2013: Integrated Report

Challenges for Japanese companies:

3 most frequent questions

1. How can we address emerging CSR issues, such as human rights and supply chain management, within a limited budget?
2. How can we integrate CSR into corporate management?
3. Do our company's CSR and CSR report meet global standard? How can we carry out CSR that meet global standard?

2-3. Our approach

Our approach

Proactive and holistic approach to enable the companies to:

1. Understand current global CSR trend

2. Identify CSR issues and define materiality

3. Address risks from the CSR perspective

4. Improve communication to the global society

Our approach

1. Understand current global CSR trend

- ❑ Providing opportunities to participate in global conference and forum related to CSR
e.g. GRI Global Conference, UNGC Conference,
UN HR Forum
- ❑ Organizing CSR related seminars and forums
e.g. Global Conference on CSR and Risk Management

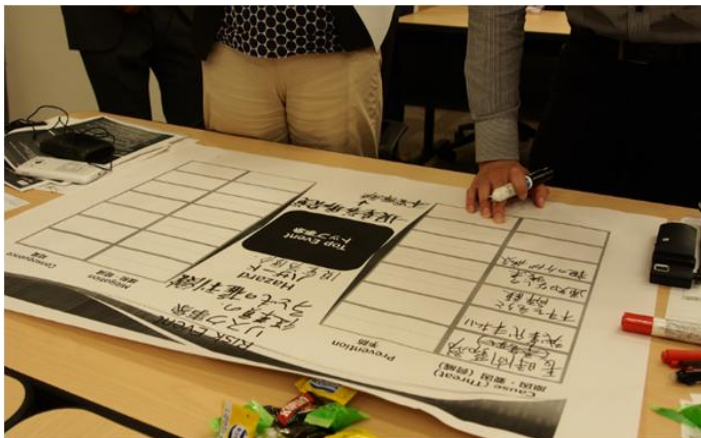
85 seminars and conferences in 2014

Feasible study tour and CSR workshop with TATA group in India. Nov 2014





Global Conference on CSR and Risk Management in Tokyo, Sep 4,5th 2014



Our approach

2. Identify CSR issues and define materiality

- ❑ Organizing stakeholder engagement programme
(Human Rights Due Diligence Workshop)

Aim: to facilitate companies to identify material CSR issues by providing opportunities to engage with stakeholders in a globally recognized way

Merit:

- ✓ Cost efficiency
- ✓ Input from other companies/ sectors
- ✓ Collaboration

Stakeholder Engagement Programme Process

Step 1: Understanding the context in which human rights issues arise

Step 2: Understanding the potential adverse HR impacts that can arise from corporate activities and their interconnections, starting with WEF Global Risks.

Step 3: Integrating perspectives from both corporations and SH

Step 4: Collecting Public Comments and finalizing our report

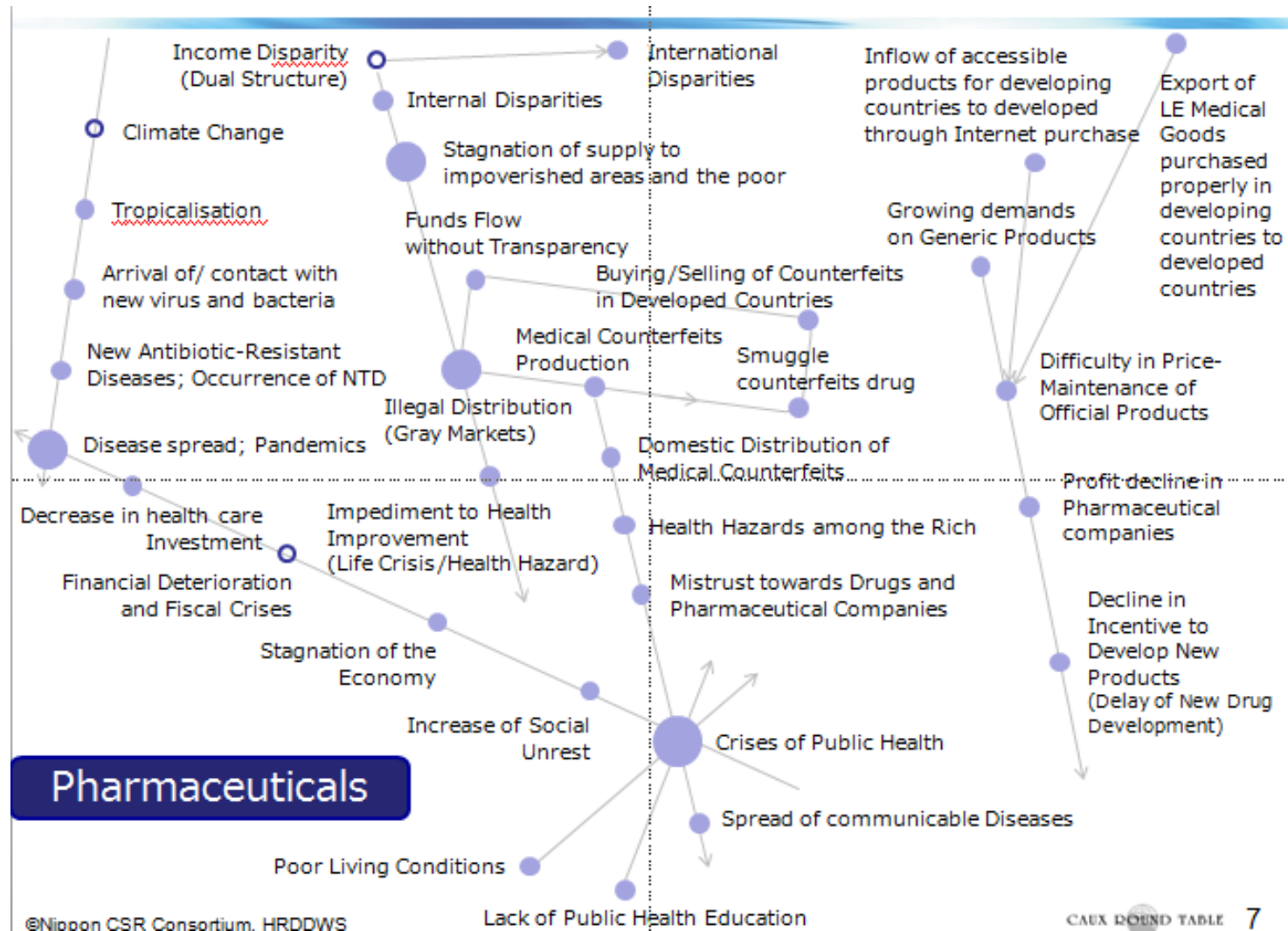
Public Consultation (online)

Issuing “Human Rights Issues by Sector”

Members of Stakeholder Engagement Programme



Step 2: Mapping sector specific human rights issues in the value chain



Public Consultation (online)

Stakeholder Engagement Programme's sponsor

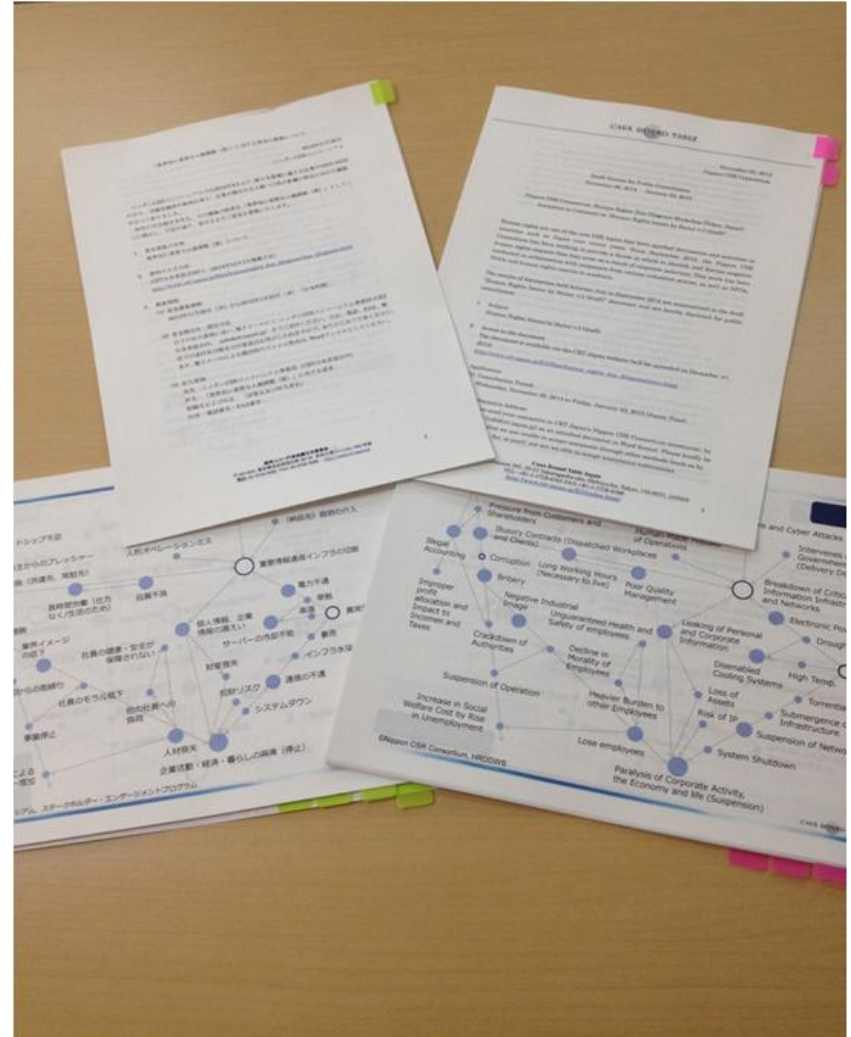


TOTO NEC AGC



**Public Consultation starts from
Dec 1st till Jan 23rd**

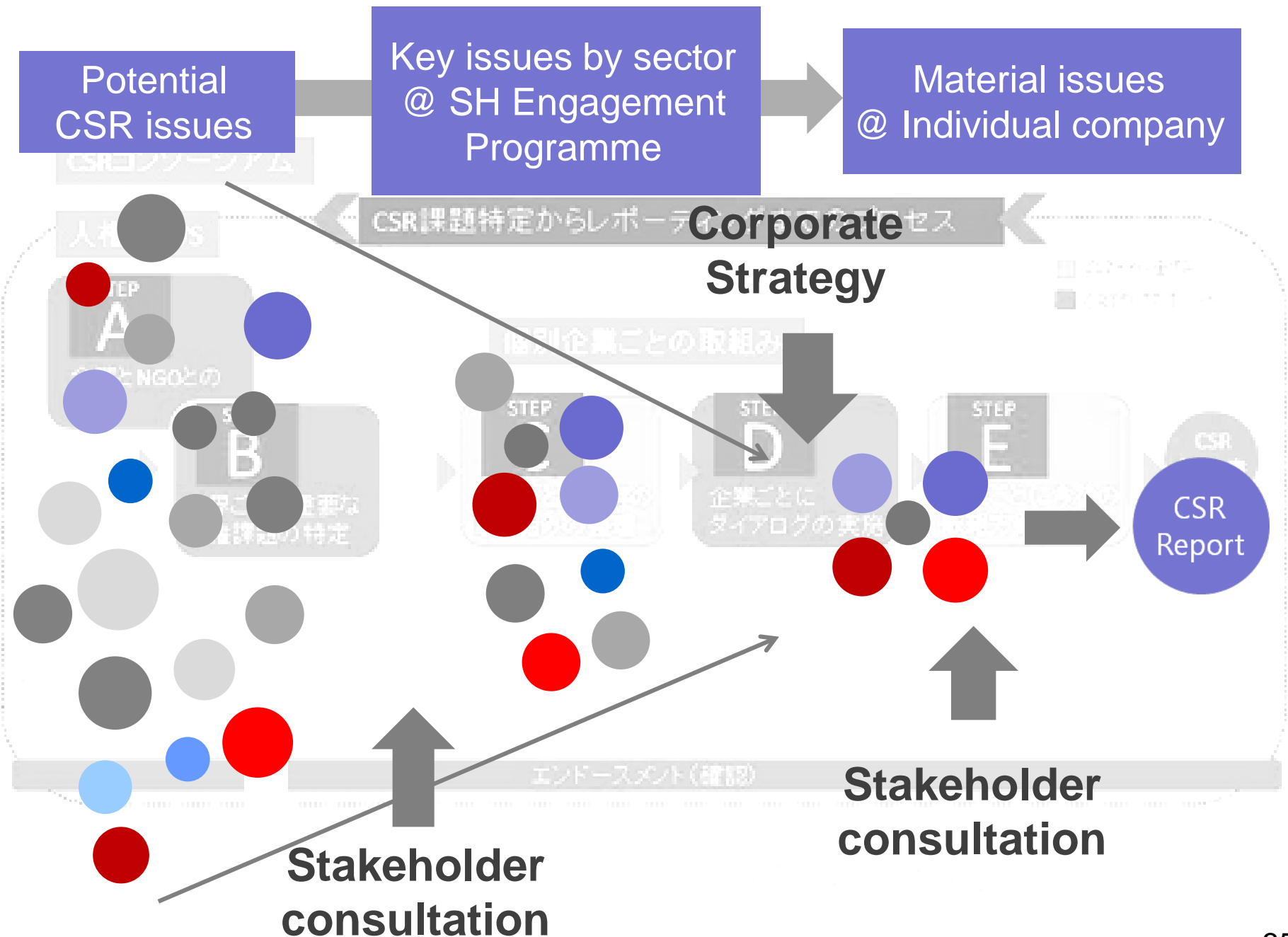
<http://www.crt-japan.jp>



Participants in Human Rights Due Diligence Workshops(2014)

<Companies>

- ❑ Asahi Glass Co., Ltd.
- ❑ Kureha Corporation
- ❑ TOTO Ltd.
- ❑ FUJIFILM Holdings Corporation
- ❑ Sanofi K.K.
- ❑ Daiichi Sankyo Company Ltd.
- ❑ Olympus Corporation
- ❑ Anritsu Corporation
- ❑ Mitsubishi Heavy Industries, Ltd.
- ❑ Kawasaki Heavy Industries, Ltd.
- ❑ Toshiba Corporation
- ❑ Mizuno Corporation
- ❑ Fujitsu Limited
- ❑ Nippon Steel & Sumikin Engineering Co., Ltd.
- ❑ NEC Corporation
- ❑ Nomura Research Institute, Ltd.
- ❑ NTT Data Corporation
- ❑ Sumitomo Mitsui Banking Corporation
- ❑ Nippon Express Co., Ltd.
- ❑ Sanofi K.K.
- ❑ Nippon Yusen Kabushiki Kaisha (NYK LINE)
- ❑ Kawasaki Kisen Kaisha, Ltd.
- ❑ Hankyu Hanshin Express Co., Ltd.
- ❑ SG Holdings Co., Ltd.
- ❑ Kewpie Corporation
- ❑ Nichirei Corporation
- and NGO/NPOs and Academics



Nippon Express CSR Report 2014

Stakeholder Engagement

Dialogue with Stakeholders as a Step Forward Towards Human Rights Due Diligence

In driving globalization of business, the Nippon Express Group believes it is important to identify actual and potential human rights issues in our value chain and to take appropriate step to address these issues. For that purpose, we participated in the Stakeholder Engagement Program (Human Rights Due Diligence Workshop) organized by Caux Round Table Japan (CRT-Japan) as we did in fiscal 2012 and advanced dialogue with other companies and NPO/NGOs as well as proceeded with discussions internally aimed at setting challenges to be addressed as the Nippon Express Group.

Dialogue with 10 companies, 6 NPO/NGOs and three experts



Areas of concern and findings related to the business activities of Japanese companies that have come to light through their own initiatives were announced by NPO/NGOs and experts engaged in resolving human rights issues, and related philosophies from an industry perspective were shared by both sides.

Following identification of actual and potential human rights issues in the value chain, relevant stakeholders were also identified based on the inputs from the participating companies and experts. "Human Rights Issues by sector v.2" was drawn up reflecting the results of three discussions between participating companies and of one-month public consultation held in January 2014.



Human Rights Issues Deemed Significant in the Logistics Industry

Key human rights issues in logistics sector			Concrete issues of concern <small>*Potentially relevant value chain themes in parentheses</small>				Value chain			
							Product	Process	People	Planet
Core operation/ Supply chain	Workplace conditions	Working hours	Long working hours possible, especially at work sites and subcontractors during busy periods							
		Health and safety	Workplace accidents may occur at sites where heavy machinery is used and heavy goods are handled such as ships under operation and terminals, due to inadequate direction regarding work safety Long working hours may cause mental health problems							
	Discrimination	During work	Possible discrimination in work conditions, training and promotion due to gender and educational background, particularly with unfair handling of foreigners in the port area in terms of employment and treatment							
		Redundancy and dismissal	The requests of part-time and contract workers for open-ended employment contracts may not be fully considered							
Community	Resource	Use of natural resources	Environmental, air and water pollution as well as the destruction of ecosystems may occur in the supply chain for fuel (purchase) Gas vented from a large number of transportation vehicles passing through a congested route may cause air pollution locally (transport)							
Society and government	Relations with governments	Bribery and corruption	Possible risks of being involved in bribery and corruption such as facilitation payments (transport) Possible risks of being involved in cozy relationships with government or bribery and corruption when negotiating with government on administration on route development and capital investment (production, purchase)							

Confirmation of direction aspired to by the Nippon Express Group



We conducted a new questionnaire survey of overseas Group companies in order to grasp the current status of CSR initiatives at each site. We also expanded the scope of our compliance questionnaire, which we had been conducting on a yearly basis, to include all employees of Nippon Express (a total of 40,430 including temporary staff).

In addition, discussions were held at the CSR Report Editorial Committee, comprising members from each division at Head Office (Sales Planning Division, Removal Sales Division, Eco-Business Division, Railway Forwarding Division, Overseas Planning Division, Public Relations & Advertising Division, General Affairs & Labor Division, Finance & Accounting Division, Business Division, Corporate Planning Division, Air Cargo Business Division, Heavy Haulage & Construction Business Division, Fine Arts Business Division, Corporate Social Responsibility Division) to edit the CSR report. These discussions concerned the key challenges facing the Nippon Express Group in light of the different value chains for each division and details of human rights issues deemed important in the logistics industry compiled in the table at left.

- Key issues extracted from discussions at the CSR Report Editorial Committee
- Improve corporate value as logistics infrastructure
— Reliability, sustainability, solutions
- Be aware and act as a global logistics company
— Global Logistics Provider
- Convey corporate value as a company that values people
— Safety



Stakeholder Engagement Program (Human Rights Due Diligence Workshop)

The Stakeholder Engagement Program is an initiative that aims to listen to stakeholders in different countries, mainly regarding business and human rights, and to help companies carry out reflective CSR activities in a global context.

Main Participating Groups

- 5th NPO/NGOs
- Amnesty International Japan
- ACT Japan
- Orion Japan
- Change-fusion
- Lighthouse Support Center for Human Trafficking Victims, other

Three experts

- Osamu Okawachi/Kato-Raifu: Human Rights Information Center
- Noriko Sumagaki/Public Relations, The ILO Association of Japan
- The Japan Association for Advancement of ILO Activities, other

10 companies (industry)



Nippon Express CSR Report 2014

Selection of key priorities

Key priorities in near term on global scale

- Select key themes in near term as Nippon Express' Global CSR that should be prioritized on a global scale

The Nippon Express Group selected key themes that should be addressed globally in the near term from the items of Nippon Express Group Charter of Conduct, considering the findings from the Human Rights Due Diligence Initiatives, internal dialogue and discussion, the survey on CSR initiatives at overseas Group companies, and the internal compliance questionnaire. The selections were based on the following social issues surrounding the Nippon Express Group and social value that Nippon Express is already providing.

Concrete action policies and objectives will be formulated and deployed throughout the Group in 40 countries and 239 cities worldwide based on the key issues comprising the three points shown at right known as Nippon Express' Global CSR.

- Social issues surrounding Nippon Express Group
 - Global warming
 - Air pollution
 - Resource scarcity
 - Natural disasters
 - Globalization
 - Infrastructure
 - Long working hours
 - Safety and labor

- Social values that Nippon Express has already been providing
 - Responsibilities to the Earth's environment
 - Contribution to the global community
 - Safety/security
 - Human rights
 - Corporate governance
 - Community involvement

Nippon Express' Global CSR

1. Responsibilities to the Earth's Environment

Protection of the global environment is a key issue that we must constantly be aware of and that must be addressed as a logistics company that utilizes fossil fuel and emits CO₂ round the clock.

We will continue to implement measures as before to increase efficiency in resource use that include introducing eco-friendly vehicles and equipment.

2. Sound Company Conduct

As a logistics company that operates worldwide, it is critical that we not only comply with the laws of each of the countries and regions we enter, but that we also understand and implement fair business practices, which are increasingly in the spotlight these days.

We will not engage in cartels, dumping, bribery or other illicit behavior. We will also take steps to raise awareness of the need for sound company conduct through such means as distributing a handbook and providing training to employees.

3. Respect for Human Rights

As the scope of our business expands, the Nippon Express Group supply chain continues to become more global in nature. As this occurs, it is necessary to ensure that we respect human rights from a broader perspective that extends beyond workplace and work environment, particularly in developing countries, and we believe that not doing so runs the risk of impacting the continuity of our business going forward.

We will implement measures aimed at enhancing awareness of the need for respect for human rights throughout the Group on a global basis.

Endorsement

Caux Round Table Japan herewith confirms that Nippon Express has undertaken the holistic approach shown in the framework of Sustainable Navigation, and undertook the following activities.

Nippon Express participated in a series of Human Rights Due Diligence Workshops at the Nippon CSR Consortium. During the workshops, Nippon Express contributed to identifying human rights issues related to the value chain of the logistics sector, while sharing expertise with other members from different companies, NGOs and experts. In addition, at the individual company level, Nippon Express has mapped existing CSR activities, identified three key themes, and had a dialogue with experts.

I look forward to seeing how Nippon Express will determine policy and put these selected key themes into concrete actions.



Hiroshi Director
Caux Round Table Japan
Hiroshi Ishida

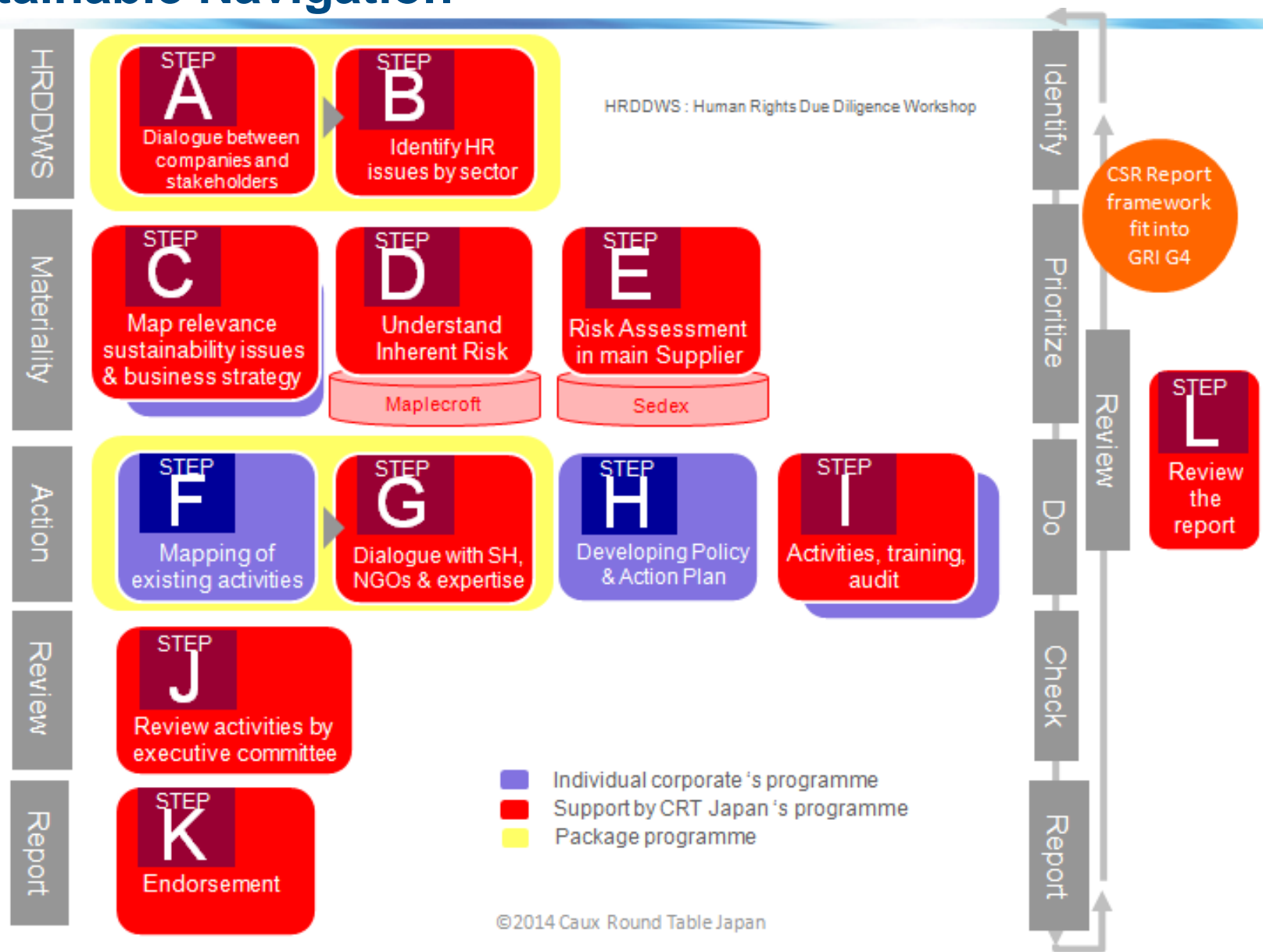
Sustainable Navigation

Sustainable Navigation, developed by Caux Round Table Japan, points to initiatives required in the implementation of CSR activities. It elucidates each step to be taken, from step A to I. In all, identifying relevant issues, taking appropriate measures to resolve these issues while having dialogues with stakeholders,

and reporting on the process and progress. The Nippon Express Group is currently working on Steps A, B, F and G and has selected Step H as a key issue in the near term on a global basis. Through this report, we are taking Step K (Endorsement) and Step L (Review, Third Party Opinion).



Sustainable Navigation



Our approach

3. Address risks from the CSR perspective

- ❑ Organizing a series of Supply Chain Workshop
→ putting knowledge and expertise together
- ❑ Building a partnership with leading organizations in this field (e.g. SAC, SEDEX)
→ providing enabling tools with the Japanese companies

Child Labour

What we do from now:

Collaborating with CSR Initiatives organizations, in order to challenge to finding the risk regarding on Child labour's issues with Japanese companies.

Prevention

Without collaborating with NGOs there is no “BARRIER” could take place in Risk management

RISK !



Mitigation

Without preventing work there is no “RECOVERY” could take place in Risk management

Our approaches

4. Improve communication to the global society

- ❑ Collecting Japanese companies' opinions together and submitting the summary to global initiatives
e.g. GRI G4, IR Framework
- ❑ Providing trainings to learn the requirements of global standards
e.g. GRI G4 Certified Training



GRI G4 Certified Training Programme, since 2013

What we are doing

Organizing GRI G4 Certified Training Programme to corporate CSR Departments and CSR reports publishing companies



ご案内

ス)は、サステナビリティ報告書(GRI G4ガイドラインの範囲)の基礎トレーニングコースです。これは、これらの会社は、GRI G4ガイドラインに従って報告を行います。

1. 説明書が発行されます。
2. における提供は、貴会によ

研修プロセスを学ぶ

会場	経済人コーポレート日本委員会事務局 東京都渋谷区笹塚 29-33 渋谷三葉マンション 505号室(渋谷駅徒歩7分)
対象	サステナビリティ報告書に関係している方
受講費	78,000 円(税抜き、テキスト代及び2日間の昼食代を含む)
定員	原則として1回10名 ※定員超過(4名に満たない場合は、後で調整させていただきます。予めご了承ください。)
お申込方法	貴会HP上の専用申込みフォームよりお申込みください。

お問い合わせ

経済人コーポレート日本委員会(担当: 野田)

電話: 03-5728-6365

Email: info@cert-japan.jp

URL: <http://www.cert-japan.jp/index.html>

Caux Round Table Japan
is a GRI Certified Training Partner
in Japan



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in Japan



2013 UN Forum on Business and Human Rights



2013 United Nations Forum on
Business and Human Rights
Geneva - 2 - 4 December

Out Reach

Presentation of
“Stakeholder
Engagement
Programme” twice
at UN Forum



“Corporate governance and
the UN Guiding Principles”

“Regional focus on UN Guiding
Principles dissemination &
implementation : ASIA”



UNITED NATIONS
HUMAN RIGHTS
OFFICE OF THE HIGH COMMISSIONER

Enhancing Corporate Value

Integration of CSR into management

1. Understanding current global CSR trend
2. Identifying CSR issues and defining materiality
3. Addressing risks from the CSR perspective
4. Improving communication to the global society

PSR Provide human development training for executives and principled business leaders

CSR Help to integrate CSR into business strategies

Partnership Facilitate collaborative activities among Companies, NGO/NPOs and Academics

CAUX ROUND TABLE