

*The Implementation of the UN Guiding Principles into Daily Business Operations and the 2020 Tokyo Olympic and Paralympic Games**

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I. BACKGROUND AND CONTEXT: OBJECTIVES AND ACTIVITIES OF CAUX ROUND TABLE JAPAN

In response to increasing globalization and the economic influence of transnational companies, a number of efforts have been made to facilitate responsible business practices. One significant initiative was that of the Caux Round Table (CRT), which seeks to improve the outcomes of the market economy and globalization in the world through moral capitalism.

The Caux Round Table was founded in 1986 in Caux, Switzerland by business leaders of Europe, the United States of America and Japan to address mounting trade tensions. The business leaders at the time reached an understanding that to solve various trade tensions, business needs to win trust from society and contribute constructively. On that basis, the CRT Principles for Business, incorporating ethical values from Japan, the United States and Europe was formally published in 1994. They articulate a comprehensive set of ethical norms for business practices, and are recognized by many as the most comprehensive statement ever formulated by global business leaders.

In 2000, the Caux Round Table Japan (CRT Japan) was established as a global arm of the Caux Round Table. CRT Japan provides comprehensive support that enables companies to optimize ‘impact’ and ‘scalability’ of their corporate social responsibility (CSR) and sustainability performance with efficiency and due consideration for society.

* The Institute for Human Rights and Business (IHRB) and Caux Round Table-Japan (CRT-J) have both produced articles in this edition of the *Business and Human Rights Journal* on mega-sporting events (MSEs) and human rights. One looks at the macro-picture, while the other focuses on efforts in Japan ahead of the Tokyo 2020 Olympics. Our organizations have partnered for a number of years, and in 2015 and 2016 we produced joint submissions on human rights to the Tokyo Organising Committee for the Olympic and Paralympic Games as this body seeks to develop its policies and processes around sustainability, responsible sourcing and human rights.

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One remarkable service was of a self-assessment tool called ‘CSR Innovation’, which could help directors, senior executives and/or employees to assess the strengths and weaknesses of current CSR and sustainability performance and to identify areas for improvement. Nissan Motor Co., Ltd. of Japan completed its first use of this tool in 2005, which contributed to the formulation of Nissan’s CSR policy.¹ Also, to promote the effective and efficient deployment of CSR activities, CRT Japan developed ‘Sustainable Navigation’,² a comprehensive framework of CSR activity. Beginning with identifying human rights issues relevant to companies, the framework is comprised of 12 steps, guiding the development of effective and efficient CSR activities. Clients have been leading Japanese companies and foreign companies in Japan, including Mitsubishi Heavy Industries, Ltd., Nippon Express Co., Ltd., Nomura Research Institute, Ltd., and Nestlé Japan.

In addition to comprehensive CSR services, CRT Japan has actively developed its global network to collect and communicate CSR and sustainability-related information domestically and globally for enhanced optimization of ‘impact’ and ‘scalability’. With established global partners such as GRI Reporting Initiative, the Institute for Business and Human Rights, and Sedex Group, it has organized and implemented seminars, conferences, and workshops in which participants can stay abreast of global trends on CSR and sustainability, and share good business practices with global representatives.

II. IMPLEMENTATION OF THE UN GUIDING PRINCIPLES IN JAPAN: HUMAN RIGHTS DUE DILIGENCE WORKSHOPS

Through the CSR services, CRT Japan found that one of the challenges facing Japanese companies was lack of a common platform in which Japanese companies and non-governmental organizations/non-profit organizations (NGOs/NPOs) could discuss and identify social issues together, share their good practices, and communicate their achievements and reflections globally. To solve this problem, CRT Japan established the Nippon CSR Consortium in partnership with companies and NGOs/NPOs in September 2012, providing a platform of multi-stakeholder dialogue and collaboration.

In 2012, the Nippon CSR Consortium recognized human rights as one of the critical CSR issues to be addressed and organized and implemented a series of human rights due diligence workshops. In these workshops, companies and NGOs/NPOs identify actual or potentially adverse human rights impacts of business activities by sector. Based on the discussion contents, companies are expected to take appropriate measures to address adverse human rights impacts arising from their business activities, review their corrective actions and report how adverse impacts on human rights are produced and addressed. This programme is scaling up now. In 2015, the 98 participants, consisting of

¹ Nissan Motor Co., Ltd., ‘2007 Sustainability Report’ (2008), http://www.nissan-global.com/EN/DOCUMENT/PDF/SR/2007/SR2007_E_all.pdf (accessed 19 January 2016).

² Caux Round Table Japan, ‘Sustainable Navigation’, http://crt-japan.jp/en/project-overview/sustainable_navigation/ (accessed 20 January 2016).

48 companies and 17 NGOs/NPOs, identified sector-specific human rights issues throughout their value chains.³

The workshop implementation process contains the following steps:

- Corporate participants receive presentations on the particular context in which human rights issues arise by members of NGOs/NPOs, human-rights experts, and academics.
- Corporate participants conduct a series of discussions by sector to discuss the likely significant human rights concerns they need to address.
- Corporate participants summarize the discussion contents and exchange views with NGOs/NPOs, human-rights experts, and representatives of academia. They provide comprehensive assessment of the report.
- The secretariat of the workshop produces a draft report and invites public comments on it. Following consideration of the received comments, the secretariat releases the final report.

The important lesson gained from the past workshops is that there are sometimes significant differences in how companies and NGOs/NPOs view various issues, resulting in an obstacle for advancing a respect of human rights. For instance, on the issue of land use, companies are likely to emphasize land ownership, whereas NGOs are concerned about infringement of the rights of indigenous peoples. On a more positive note, good practices are also introduced and shared among participants. For example, a Japanese shipping company has participated in an initiative led by the United Nations Development Programme to rebuild Somali society.⁴ This initiative aims to address the poverty that contributes to the occurrence of piracy, as well as to help ensure the safety of important marine trade routes. The case illustrates how collaborative efforts can create positive impacts on both the livelihood of local people in Somalia and commercial activities.

As set out in the UN Guiding Principles, discharging the responsibility to respect human rights requires due diligence. Companies must assess and identify any potentially and actual adverse human rights impacts of their business activities.⁵ The human rights due diligence workshops assist companies in carrying out proper human rights due diligence processes, so that they can conduct responsible business practices including supply chains.

III. IMPLEMENTATION OF THE UN GUIDING PRINCIPLES INTO THE 2020 TOKYO OLYMPIC AND PARALYMPIC GAMES

The UN Guiding Principles can contribute to the promotion of human rights during the management of mega-sporting events, as they provide steps to prevent and mitigate

³ Nippon CSR Consortium, 'Human Rights Issues by Sector v.4' (7 December 2015), [http://crt-japan.jp/files/2015/2015SHE/Human rights issues by sector v4 EN.pdf](http://crt-japan.jp/files/2015/2015SHE/Human%20rights%20issues%20by%20sector%20v4%20EN.pdf) (accessed 30 August 2016).

⁴ Nippon Yusen Kabushiki Kaisha, 'NYK Report 2007' (2008), https://www.nyk.com/english/ir/library/nyk/pdf/2014_nykreport_all.pdf (accessed 19 January 2016).

⁵ Human Rights Council, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect, and Remedy" Framework', A/HRC/17/31 (21 March 2011).

business related human rights risks.⁶ However, there are some cases that highlight that host countries, local organizing committees, and companies have failed in respecting, supporting and promoting human rights during mega-sporting events. Human Rights Watch has highlighted that the Sochi Olympic and Paralympic Games were accompanied by human rights abuses, including forced evictions without fair compensation for new infrastructure and exploitation of foreign migrant workers.⁷ Similarly, prior to the South Africa FIFA World Cup and London 2012 Olympics, campaigners made allegations of labour right violations in the supply chains for sporting goods and clothing in factories across Pakistan, India, China and Southeast Asia.⁸ These findings indicate that commitments and efforts to respect human rights by host countries, local organizing committees and businesses have been not adequate. Forthcoming mega-sporting events possess a great potential for infringing the human rights of the affected workers, communities, and others. Thus, host countries, local organizing committees, and businesses should make efforts to minimize risks for a wide range of stakeholders so that mega-sporting events do not contribute to the erosion of human rights throughout a life-cycle of events.

CRT Japan acknowledges that the 2020 Tokyo Olympic Games (the 2020 Tokyo Games) offers a significant opportunity for the implementation of the UN Guiding Principles into day-to-day operations of organizations and companies in Japan, and believes that collaborative efforts will be necessary for enhanced 'impact' and 'scalability' of activities to create more positive impacts. CRT Japan has been actively developing a global network to raise awareness about the positive and negative impacts of mega-sporting events on human rights; to increase the implementation of the UN Guiding Principles; to shape policy initiatives such as human rights statements and procurement guidance; and to develop grievance mechanisms.

In 2015, the Group of Experts for Sustainable Tokyo Olympic and Paralympic Games (Group of Experts),⁹ of which CRT Japan is a member, was formed to make the 2020 Tokyo Games contribute to environmental, labour and human rights issues arising from the preparations for the Games. The Group of Experts published for public comments on 'Sustainability Themes for the Tokyo Olympic and Paralympic Games in 2020'.¹⁰ As a result of external consultation, the level of interest of global stakeholders was highest in regard to diversity, labour and human rights, followed by reducing environmental impact

⁶ Human Rights Council, 'Final report of the Human Rights Council Advisory Committee on the possibilities of using sport and the Olympic ideal to promote human rights for all and to strengthen universal respect for them', A/HRC/30/50 (17 August 2015).

⁷ Human Rights Watch, 'Race to the Bottom: Exploitation of Migrant Workers Ahead of Russia's 2014 Winter Olympic Games in Sochi', (2013), <https://www.hrw.org/report/2013/02/06/race-bottom/exploitation-migrant-workers-ahead-russias-2014-winter-olympic-games> (accessed 19 January 2016).

⁸ International Textile Garment & Leather Workers' Federation, 'An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines', (2011), <http://www.ituc-csi.org/IMG/pdf/ITGLWFSportswearReport2011.pdf> (accessed 19 January 2016).

⁹ The Group of Experts consists of members from NGOs/NPOs, universities, confederations, legal offices, sports councils and centers for human rights in Japan: http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/20150330_olympic_theme_questions_en.pdf (accessed 15 November 2016).

¹⁰ The Group of Experts for Sustainable Tokyo Olympic and Paralympic Games, 'Sustainability Themes for the Tokyo Olympic and Paralympic Games in 2020 (draft)', (2015), http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/20150330_olympic_theme_questions_en.pdf (accessed 19 January 2016).

and reinforcing accountability and transparency for stakeholders.¹¹ Some comments express that learning from the previous Games, which faced gross human rights violations and numerous incidences of environmental destruction, the 2020 Tokyo Games should consider furthering/respecting diversity and human rights issues of domestic and foreign workers, including supply chains. Also, others express that on a positive note, the 2020 Tokyo Games provides an opportunity to introduce Japanese recycling facilities that reflect a unique awareness of living in harmony with nature.

Responding to the public interest and concern, CRT Japan and the Institute for Human Rights and Business (IHRB) produced a ‘Proposed Human Rights Statement for the Tokyo Olympic and Paralympic Games in 2020’ which they encourage the Tokyo Organising Committee of the Olympic and Paralympic Games (TOCOG) to use as the basis for their own documentation. The Statement states that as the success of the 2020 Games is dependent on the dedication of numerous workers across various sectors involved in the whole event life-cycle, TOCOG and Japan should make it a top priority to respect and promote the rights of all persons involved in and affected by delivering the 2020 Tokyo Games.¹² Thus, the statement encourages TOCOG to be committed to respecting all related international instruments; to upholding the United Nations Guiding Principles on Business and Human Rights; to complying with national laws, and to adhering to the spirit of international human rights and labour rights standards where these are not yet enshrined in domestic law. Also, it introduces four concepts; humanity, security, diversity and inclusion, and civil liberties, and encourages TOCOG to decide the direction of the 2020 Tokyo Games on the basis of these concepts.

In addition to the Human Rights Statement, CRT Japan and IHRB produced a ‘Proposed Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020’, which TOCOG is encouraged to use as the basis for their own documentation. This Statement encourages TOCOG to be committed to delivering an Olympic Games with responsible sustainability standards across its supply chain, and operate together with the Human Rights Statement to ensure that impacts on all stakeholder groups throughout the value chain are properly identified, prevented, mitigated and accounted for.¹³

It is vital that sustainability concerns are fully addressed in the delivery of the 2020 Tokyo Games.¹⁴ To this end, TOCOG declared the protection of the environment and sustainability in the Sustainability Plan and places importance on developing a wide

¹¹ The Group of Experts for Sustainable Tokyo Olympic and Paralympic Games, ‘Result of summary on “Sustainability Themes for the Tokyo Olympic and Paralympic Games in 2020 (draft)”’, (2015), http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/The%20report%20of%20Sustainability%20Themes%20for%20the%20Tokyo%20Olympic%20and%20Paralympic%20Games%20in%202020_EN.pdf (accessed 19 January 2016).

¹² Caux Round Table Japan and the Institute for Human Rights and Business, ‘Proposed Human Rights Statement for the Tokyo Olympic and Paralympic Games in 2020’ (16 November 2015), <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/A%20Proposed%20Human%20Rights%20Statement%20for%20the%20Tokyo%202020%20Olympics%20EN.PDF> (accessed 30 August 2016).

¹³ Caux Round Table Japan and the Institute for Human Rights and Business, ‘Proposed Sustainable Sourcing Policy for the Tokyo Olympic and Paralympic Games in 2020’ (12 February 2015), <http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Proposed%20Sustainable%20Sourcing%20Code%20for%20the%20Tokyo%20Olympic%20and%20Paralympic%20Games%20in%202020%20EN.pdf> (accessed 30 August 2016).

¹⁴ The Tokyo Organising Committee of the Olympic and Paralympic Games, ‘Sustainability’, <https://tokyo2020.jp/en/games/sustainability/> (accessed 29 July 2016).

variety of approaches on sustainability, incorporating environmental as well as social, economic and human rights aspects.¹⁵ For instance, TOCOG takes into account issues related to human rights, labour and fair trade practices, providing a procurement policy for the supply of products and services, taking measures for consideration of minorities, and taking measures for proper consideration of human rights and labour for all staff and volunteers.¹⁶ And, the Tokyo 2020 Games require its suppliers and licensees to supply products and services that satisfy certain human rights requirements.¹⁷

However, with regard to the Sustainability Plan, CRT Japan and IHRB jointly submitted the following concerns:¹⁸

- The Sustainability Plan should reference the UN Guiding Principles and other international human rights standards. The UN Guiding Principles are pertinent to the host city, national government, the host organizing committee, and public and private actors involved in the commercial activities.
- The Sustainability Plan fails to take the due diligence approach outlined in ISO 26000 which, indeed, TOCOG refers to. Such a process requires external consultations with the groups affected by the Games planning, preparing and delivering, and continual process of identifying, assessing, preventing, and mitigating the potentially and adverse human rights impacts.
- TOCOG should include domestic and international human rights experts, including ones specializing in migrant worker rights, in Opinion Platforms that TOCOG refers to, as Tokyo will need many thousands of migrant workers for delivering the 2020 Tokyo Games.
- CRT Japan and IHRB urge TOCOG to establish grievance mechanisms to respond appropriately to concerns and complaints from all persons involved and affected by the Games planning, preparation and delivery.

CRT Japan is now striving to establish grievance mechanisms in Asia/ASEAN region for Japanese companies. In the run-up to the 2020 Tokyo Games, Japanese companies are expected to come under intense scrutiny for their responsible business practices, including their supply chains. Thus, they are required not only to implement proper human rights due diligence procedures, but also provide an effective grievance mechanism, as the right to an effective remedy is a core tenet of international human rights. CRT Japan believes that the initial grievance mechanisms will help Japanese companies to elicit the voice of rights-holders, identify locally-specific human rights issues, and mitigate and effectively manage business-related human rights risks.

¹⁵ The Tokyo Organising Committee of the Olympic and Paralympic Games, 'The Tokyo 2020 Olympic and Paralympic Games High-level Sustainability Plan' (January 2016), <https://tokyo2020.jp/en/games/sustainability/data/sus-plan-EN.pdf> (accessed 30 August 2016).

¹⁶ Ibid.

¹⁷ The Tokyo Organising Committee of the Olympic and Paralympic Games, 'The Tokyo 2020 Fundamental Principles for the Sustainable Sourcing Code' (January 2016), <https://tokyo2020.jp/en/games/sustainability/data/sus-principles-EN.pdf> (accessed 30 August 2016).

¹⁸ Caux Round Table Japan and the Institute for Human Rights and Business, 'Submission to the Tokyo Organising Committee of the Olympic and Paralympic Games' (12 February 2016), [http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Feedback on the High-level Sustainability Plan and Sustainable Sourcing Code EN.pdf](http://crt-japan.jp/files2014/2-4-0-olympic2020/pdf/Feedback%20on%20the%20High-level%20Sustainability%20Plan%20and%20Sustainable%20Sourcing%20Code%20EN.pdf) (accessed 30 August 2016).