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# Japanese Companies' Responses to Business and Human Rights

## How far have Japanese companies progressed in implementing human rights due diligence?

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### Summary

- Since the 1990s, the idea that the responsibility to respect human rights is expected of all companies has spread worldwide, and in recent years, some countries and regions have made human rights due diligence (HRDD) mandatory by law. This paper examines the current situation regarding the adoption of human rights policies and the implementation of HRDD in Japanese companies using the Toyo Keizai CSR Data, while briefly overviewing the history of the establishment of Business and Human Rights as an international norm, and discusses potential challenges.
- By analyzing the trend since the 2010s, we find that the number of companies adopting human rights policies has been increasing, reaching 85.0% of responding companies in the 2024 survey. However, 59.1% of companies have implemented HRDD, and 14.9% of companies have not yet done so but are considering it. Overall, the pace of implementation of HRDD is slower than that of formulation of human rights policies, indicating that expanding the implementation is a challenge.
- It is documented that the smaller the market capitalization, the weaker the adoption of human rights policies and implementation of HRDD. There are also large differences in the status of implementation and consideration by sector. However, the responsibility to respect human rights lies with all companies, regardless of size. In addition, risks of adverse human rights impacts exist in all sectors. In the future, companies with smaller market capitalization will be required to expand the adoption of human rights policies and the implementation of HRDD as well. It is also expected that gaps among sectors are bridged.
- The implementation of HRDD and its disclosure play an important role in identifying and preventing risks of potential human rights violations across the supply chain, and in communicating with stakeholders. Japanese companies are expected to accelerate their responses while referring to various practical guidelines and making efforts to engage in dialogue with rights holders and stakeholders.

Attention

This report is a summary translation. The official document is only in Japanese.