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**Making Human Rights Due Diligence  
Guideline for Textile Industry  
by Japan Textile Federation**

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# Contents

**1. Background of our DD Guideline**

**2. Drafting the Guideline**

# RBC activities of Japanese textile industry

- Optimizing Transactions
- Technical Intern Training Program  
(migrant workers)

# Our Activities for “Optimizing Transactions”

- 2000** • Developed Transaction Contract Template between Retailers and Wholesalers
  - Defined duties of both players
- 2003** • Founded “Top Management Meeting”
  - Policy decision to promote projects for Optimizing Transactions
- 2004** • Developed Transaction Contract Template between Apparel and Textiles
  - Defined duties with documents for progress sharing to avoid proprietary formats fatigue
- 2008** • Published Quality Management Guideline with Due Diligence
  - Essential roles and recommended approaches
- 2017** • Developed JTF Voluntary Action Plan (coordination with the Government)
  - The action plan published to optimize transactions
  - Revised and adapted on OECD Garment Guidance in 2018
  - The model sewing fee online simulation system developed  
ACCT : Apparel Cost Calculation Technology for SMEs  
<https://acct.yuka-alpha.net/>
- 2018** • Promoting The Garment Guidance (the Japanese language version)
  - The Introductory Seminar in November 2018
  - Introduced again in JTF Sustainable Seminar in June 2019
- 2019** • Japanese language translation contribution for OECD SME web research
- 2020** • New Project “Partnership Building Declaration”
  - JTF promotes the project to facilitate the good relation within supply chains.

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Source : Japan Textile Federation (presentation for the OECD Forum on due diligence in the garment and footwear sector in February 2021)

# Efforts for the proper implementation of Technical Intern Training program in the textile industry

⇒ Council for Technical Intern Training Program in textile Industry  
(founded in March 2018)

- **Activities of the Council** (Held 10 times after its foundation)
  - Initiatives for the Proper Implementation of Technical Intern Training Program in the Textile Industry (June 2018)
  - Foundation of the same type of the council in all private organizations
  - Monitoring activities of members
- **Results**
  - Decrease of inappropriate cases of insiders due to ignorance of laws and regulations
- **Future issues**
  - Violations of insiders not yet eliminated (more actions needed).
  - Needed some measures for outsiders

# Recommendations for the textile industry by 2030 (Jan. 2020) (Japan Textile Federation)

## Key Initiatives of Japan Textile Federation

### (1) Support toward for digital transformation

- Information provisions, holding seminars etc.

### (2) Securing human resources

- Increasing foreign workers (including Proper actions of Technical Intern Training Program)

### (3) Support for expanding overseas

- Making supporting networks

### (4) **Efforts for sustainability issues**

- Optimizing transactions (follow-up of JTF Voluntary Action Plan)
- Making Human rights DD guideline**
- Information sharing for circular economy and carbon neutralization

# Report of Study Group on Sustainability of Textile and Apparel Industry (July 2021)

## Responsible Supply Chain Management

- The Collapse of Rana Plaza in Bangladesh in 2013 reminds us of the importance of supply chain management.
- Responsible supply chain management is essential for safe and decent work environments.

### Current Situation

- The issues of technical intern trainees and fairness of business deals are concerned. Some point out that the employment of technical intern trainees could be a risk in business activities with foreign companies.
- OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear has been disseminated but not yet understood well enough.
- Some textile companies are acquiring international textile certifications to receive an evaluation of their activities and products.

### Policy Recommendation

- (1) Implementation of Due Diligence
  - Promote the importance of conducting due diligence.
  - **Develop due diligence guidelines in cooperation with ILO, in order to facilitate due diligence activities in the industry.**
- (2) International Textile Certifications
  - Promote the importance of acquiring international textile certification and dispatching of Japanese staff to organizations that manage international certification.
- (3) Technical Intern Trainees
  - Ensure compliance regarding the technical intern trainee system and expanding the J∞QUALITY system

**1. Background of our DD Guideline**

**2. Drafting the Guideline**



# SME-owners' voices in the textile industry about Due Diligence

- What is “due diligence”? (They refuse words derived from foreign languages.)
- What are the benefits of due diligence? (They want to leave it if there is few merit.)
- They can't afford to carry out due diligence because they have to do everything by themselves. (They are facing manpower problems.)
- They can't carry out due diligence because there are no specialists in their companies. (They are facing manpower problems.)
- Who will pay the cost of due diligence? (They don't want to spend money on their own)
- What is the need to do more than the law? (They think legal compliance is sufficient.)
- It is very difficult for them to answer questionnaires of Due Diligences with similar contents from multiple brands. (They are tired of a lot of audits.)

✂️ Pointed out by a labor expert

Companies that violate laws on foreign workers tend to have problems with Japanese workers.

# Basic idea of our DD guideline

## Future plan for SMEs Due Diligence

(my personal viewpoint)

- Background : “limited” resource of SMEs
  - Limited human resources (Number of manpower, ability of information collecting, etc.)  
→ Their own operation should be prioritized in the due diligence.  
(lower ability to achieve traceability)
  - Limited purchasing activities among SMEs of Sewing and Wet Processing  
(Their business consists of processing of supplied materials)  
→ Their own operation should be prioritized in the due diligence.  
(lower necessity to achieve traceability)



**SMEs could disclose their operation though they can hardly trace their supply chain.**

- Large enterprises should be responsible for traceability in their supply chain
  - Large enterprises have less resource problems to carry out due diligence.
  - Using disclosed information of SMEs to check supply chain traceability

Source : Japan Textile Federation (presentation for the OECD Forum on due diligence in the garment and footwear sector in February 2021)

# Guidelines for RBC in Japan's Textile Industry (Due Diligence Guideline for Human Rights) : draft of contents

## Part 1. Objectives and outline of the Guidelines

1. Objectives
2. Companies covered by the Guidelines
3. Structure of the Guidelines
4. Key point of action of the Guidelines
5. References

## Part 2. Check points in your own company

## Part 3. Check points in relation with business partners

1. Perspectives when engaging with business partners
2. Specific issues particularly for overseas business partners

## Part 4. Overall picture of human rights due diligence

1. Declare a policy of respect for human rights (Step 1)
2. Identify human rights risks (Step 2)
3. Prevent and mitigate identified risks (Step 3)
4. Provide remedies for affected persons (Step 4)
5. Effectiveness monitoring (Step 5)
6. External reporting and publication of a series of initiatives
7. Remedy schemes (establishment of a consultation service or referral to a third-party contact)

### ✂A support tool attached

(introduction of checklist method to make it easier for SMEs to carry out DD)