Advancing the Implementation of the UNGPs in Japan: Government and Corporate Efforts and the Challenges Ahead

This essay is part of Shift's series marking the 15th anniversary of the UN Guiding Principles on Business and Human Rights.

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Fifteen years after the adoption of the UN Guiding Principles on Business and Human Rights (UNGPs), Japan stands at a pivotal moment in translating these principles into practice across its economy and supply chains. As a trade-dependent nation whose companies are deeply embedded in global markets, Japan has taken steps to develop and implement business and human rights (BHR) policies domestically, while also increasingly serving as a model and source of influence across Asia.

The UNGPs fundamentally expanded corporate responsibilities by making clear that they extend beyond companies' own operations to their supply chains. Given the strengthened legal protections for workers in Japan and the tendency of large Japanese corporations to comply with rules, including governmental soft-law measures, progress in protecting the human rights of workers at large corporations has been widely acknowledged.

However, the human rights of marginalized stakeholders working in the supply chains of large corporations, both in Japan and abroad—especially migrant workers and workers in lower-tier supply chains—often remain insufficiently protected, despite the fact that these stakeholders are at the core of the UNGPs' expectations.

Government efforts to integrate the UNGPs into policy measures

Like many other countries, Japan has experienced severe industrial pollution-related human rights harms, prompting the government to strengthen labor- and environment-related policy measures. Regardless, the Japanese government was relatively slow to promote BHR policies, even after the unanimous endorsement of the UNGPs, especially regarding supply chain issues. As a result, the concept of "human rights due diligence" (HRDD) was not widely recognized within Japanese industries, except among a handful of companies that had already launched their own HRDD-related initiatives in the early 2000s, including the adoption of supplier codes of conduct and the conduct of social audits.

Momentum began to build after 2016, when the government decided to develop its own National Action Plan on BHR (NAP). Following Thailand's establishment of a NAP in 2019, Japan published its own in 2020, becoming the second country in Asia to do so. The government stated in its NAP that it was designed "to ensure the steady implementation of the UNGPs" and expressed its expectation that Japanese enterprises would "introduce the process of human rights due diligence based on the UNGPs and other related international standards."

Subsequently, the Ministry of Economy, Trade and Industry (METI), together with the Ministry of Foreign Affairs, conducted a questionnaire survey in 2021 to assess the progress of corporate initiatives, including HRDD, and found that 51% of responding corporations requested that the government formulate guidelines on BHR. At the same time, METI launched a new office responsible for BHR policies, which the author joined in 2022.

While governmental guidelines are usually issued by a single ministry responsible for the relevant subject matter, the *Guidelines on Respecting Human Rights in Responsible Supply Chains* (the Guidelines), Japan's first BHR-focused guidelines, were adopted in 2022 by the entire government, reflecting their intended implementation through various policy measures across multiple governmental agencies. During the drafting process, divergent views emerged regarding the appropriate scope of corporate human rights due diligence. Some stakeholders argued that corporations should be permitted to limit their due diligence efforts to direct suppliers, reflecting approaches that were debated also in 2025 as potential revisions to the EU Corporate Sustainability Due Diligence Directive (CSDDD). Nevertheless, in light of the significant influence of the UNGPs on both corporate practice and legislative and policy developments across jurisdictions, the Guidelines ultimately adopted the risk-based approach reflected in the UNGPs. Accordingly, the UNGPs also played an important role in shaping Japan's first BHR-focused guidelines. Furthermore, in 2023, the government decided that corporations would be required, through contractual obligations in public procurement, to make efforts to respect human rights in accordance with the Guidelines.

In parallel with domestic measures, the government has also promoted international initiatives, including substantial monetary contributions to the International Labour Organization (ILO) to promote BHR across Asia. Through the METI-funded project "Building Responsible Value Chains in Asia through the Promotion of Decent Work in Business Operations," the ILO has provided various forms of support, including assistance to corporations in respecting human rights and capacity-building support for governments and organizations in several Asian countries.

Corporate efforts to implement the UNGPs

Against this backdrop, private-sector initiatives have gradually strengthened. *Keidanren*, one of Japan's most influential business associations, reported in January 2024 that 76% of corporations that responded to its survey were promoting initiatives based on the UNGPs, representing a 40% increase compared to the survey conducted in 2020.

In particular, within large corporations, it is now widely recognized that human rights issues can significantly undermine corporate value. Large corporations have faced serious human rights incidents covered by the UNGPs, including *karoshi* (death from overwork) and severe harassment cases, which have prompted significant investment in prevention and remediation measures within their own operations. Growing societal awareness of the UNGPs and HRDD means that such issues are no longer viewed solely as compliance matters, but as material human rights concerns that can expose corporations to severe reputational risk. Consequently, human rights protections within large corporations have rapidly improved.

In addition, the establishment of the Guidelines has heightened awareness among many senior executives of the UNGPs and the corporate responsibility to respect human rights throughout supply chains. Unlike many of their international counterparts, Japanese corporations tend to place significant weight on governmental policy measures, due to factors such as their historical reliance on government guidance and a consensus-oriented corporate culture. As a result, even soft-law measures issued by the government are often treated as important signals of regulatory expectations and have considerable practical influence.

In response to the Guidelines, most large listed corporations have made commitments to respect human rights in their operations and supply chains in accordance with the UNGPs, thereby accelerating their efforts to conduct HRDD. Not only leading Japanese corporations, but also an increasing number of other corporations have gone beyond conducting self-assessment questionnaires, which may sometimes be superficial, and have undertaken more substantial initiatives, including on-site audits and meaningful stakeholder engagement.

Challenges that remain

While these developments represent significant progress, the vulnerable stakeholders whom the UNGPs were originally intended to protect often remain inadequately safeguarded, primarily because addressing their concerns may seem far removed from corporate profitability. While financial institutions have become increasingly attentive to these issues and more mandatory legislation has been enacted globally, financial performance still dominates most investment decisions.

A critical example, which has long attracted international criticism, concerns migrant workers in Japan. Hundreds of thousands have entered under the Technical Intern Training Program, many as low-skilled workers from poorer regions in Asia. Many have incurred substantial debt at high interest rates to pay recruitment fees and related costs that should not have been borne by the workers themselves, leaving them with little choice but to continue working even when subjected to human rights abuses, including severe harassment and illegal wage deductions. A television program exposing the mistreatment of such migrant workers at small corporations significantly raised public awareness, leading to boycott campaigns and substantial international criticism.

Against this backdrop, the government decided to abolish the current Program and introduce a new Employment for Skill Development Program, scheduled for implementation in 2027. Under the new program, migrant workers who have paid recruitment fees and related costs exceeding the equivalent of two months’ wages in Japan will be ineligible for entry. Although several concerns remain to be addressed, including the risk that workers seeking to migrate may underreport the recruitment fees they have paid, this new framework is expected to strengthen protections for migrant workers against forced labor risks. In addition, because human rights abuses have frequently been identified in the textile industry, the Japanese government has also imposed a new requirement that corporations in this sector seeking to employ migrant workers must undergo a social audit and achieve results above a specified standard.

Another important example concerns migrant workers in overseas supply chains. In recent years, a number of serious forced labor cases have continued to emerge worldwide, some linked to the supply chains of Japanese corporations. Where a supplier depends primarily on a single Japanese buyer, the responsible corporation can more readily address the issue, as it clearly has a responsibility to do under the UNGPs. By contrast, where multiple buyers source from the same supplier, the situation often becomes far more complex. In particular, it can be difficult for all parties to agree on a unified approach and on how the associated costs and responsibilities for remedy should be allocated. Despite these difficulties and the absence of a fixed framework for such allocation, it is clear that the UNGPs expect corporations in such situations to take all reasonable measures, including using their leverage with others, to address forced labor issues in their supply chains. The UNGPs continue to exert significant influence on corporate decision-making in practice.

Towards a fairer society

Awareness of the importance of HRDD and related initiatives continues to grow as governmental and corporate measures are increasingly implemented and publicly disclosed. In Japan, many political parties other than the current ruling party have expressed support for HRDD legislation. In fall 2025, a politician from the ruling party raised the possibility of a law prohibiting imports produced through forced labor. Although such mandatory measures may still take time, legislative momentum is building.

As a corporate lawyer advising numerous corporations on BHR, I not only explain domestic and international legal developments and provide guidance on how corporate initiatives should evolve, but I also frequently return to the fundamental reason why the UNGPs were formulated. The UNGPs were developed in response to the reality that many vulnerable stakeholders have been subjected to serious, inhumane treatment, including in the deeper tiers of supply chains. As Ms. Rees notes in her essay in this series, the UNGPs make it clear that "profits should not be made by externalizing costs and risks onto the most vulnerable workers, communities and consumers." Since this concept has been incorporated into various binding and non-binding instruments in many countries, including Japan, I believe that a proper understanding of the UNGPs is essential—not only for compliance with these instruments, but also for recognition as a responsible business enterprise.

Although the UNGPs have been instrumental in promoting BHR-related governmental and corporate initiatives, many vulnerable stakeholders remain insufficiently protected. As further efforts are undertaken to implement the UNGPs, it is crucial to emphasize their fundamental purpose: protecting those who are most vulnerable to human rights abuses across global operations and supply chains. Achieving this objective will require a renewed focus on such stakeholders and continued efforts to ensure that the responsibility to respect human rights is clearly articulated as an expectation of all companies, not just large corporations, in order to better reach those stakeholders most at risk.

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