

February 2024

***Joint Statement by  
the European Business Council in Japan (EBC)  
& the Japan Business Council in Europe (JBCE)  
On Sustainable and Responsible Supply Chains***

---

*Following the first EBC/JBCE joint event held on November 21, 2023, the EBC's Sustainability Committee and the JBCE's Corporate Sustainability committee would like to share a joint statement on their recommendations to shift towards sustainable and responsible supply chains.*

---

1. In the context of a global shift towards more responsible and sustainable business conduct, including respect of human rights and preservation of the environment, the EBC and the JBCE **reiterate their determination** to tackle such issues across their activities, supporting the efforts of their member companies and promoting policy dialogues with public authorities of the EU and Japan.
2. Achieving sustainable and responsible supply chains requires a **holistic and cooperative approach** where economic actors, policymakers and all relevant stakeholders work together toward the same objective. As part of this joint effort, we are pleading for a **strong and renewed commitment from the business community** at large as well as from policymakers to create a favourable business environment.
3. We **see the role of businesses as dual**: they can both **take responsibility in their own supply chains** with initiatives within their reach, and **advocate towards policymakers** for regulations aiming at levelling the playing field between all companies. We recognize that **social and environmental awareness within companies**, including at top management level, is key to unlock progress.
4. Both Japan and the EU should support the development and promotion of **international standards and definitions**, considering the inherently global dimension of today's supply chains.
5. Policies and regulations adopted domestically, while encouraging businesses to transition to more responsible and sustainable supply chains, should also consider the global competitiveness of in-scope companies reflect this objective and be **aligned and harmonised with broader international discussions**. The governments of Japan and the EU should **jointly work with businesses**, without transferring State responsibilities to businesses for the protection of human rights, **to develop public-private synergies** to protect human rights and the environment in supply chain operations.
6. More support is needed from public authorities to help businesses navigate the new and oftentimes complex regulatory environment and eventually achieve its full potential. In

Europe, the CSRD<sup>1</sup> and CSDDD<sup>2</sup> are examples of pieces of legislation being implemented or finalised at this moment. We strongly recommend **the timely issuing of guidelines**, the **extension of implementation timelines** and the development of **capacity-building**, to facilitate data gathering across supply chains, mapping exercises and efficient reporting.

7. On the other hand, the limited coverage of supply chain regulations in Japan exposes businesses to **future risks of misalignment with increasing global expectations** from consumers, investors, regulators in other regions – including the EU, and society at large. We recommend Japan to strengthen its policy dialogue with advanced regions including Europe, to identify best practices on responsible and sustainable supply chains policies.
8. We strongly believe that the framework provided by the **EU-Japan Economic Partnership Agreement (EPA)** and its Trade and Sustainable Development (TSD) Chapter should contribute to these **collaborative and multi-stakeholder efforts** towards sustainable supply chains.
9. Notably, as recently highlighted in a report<sup>3</sup> of the European Commission on the implementation of its trade policy, the **EU-Japan Joint Dialogue with Civil Society** has been able to identify key cooperation topics regarding **due diligence** and responsible business conduct. We call on both the European and Japanese authorities to continue promoting and further invest in such cooperation.

Contact :

- Japan business Council in Europe  
Website: <https://www.jbce.org/> , E-mail: [info@jbce.org](mailto:info@jbce.org)
- European Business Council in Japan  
Website: <https://ebc-jp.com/> , Email: [ebc@ebc-jp.com](mailto:ebc@ebc-jp.com)

---

<sup>1</sup> Corporate Sustainability Reporting Directive

<sup>2</sup> Corporate Sustainability Due Diligence Directive

<sup>3</sup> [https://ec.europa.eu/transparency/documents-register/api/files/COM\(2023\)740\\_0/090166e504567b20?rendition=false](https://ec.europa.eu/transparency/documents-register/api/files/COM(2023)740_0/090166e504567b20?rendition=false)