

**International Horticultural Expo 2027,
Yokohama, Japan
GRIEVANCE MECHANISM FOR THE
CODE OF SUSTAINABLE PROCUREMENT
HANDLING DIRECTIONS**



October 2024

**Japan Association for the International Horticultural
Expo 2027, Yokohama**

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1 Introduction

The Japan Association for the International Horticultural Expo 2027, Yokohama (hereinafter referred to as “the Association”) will establish the Grievance Mechanism for the Code of Sustainable Procurement (hereinafter referred to as “the Procurement Code”) and stipulates the Handling Directions for the Grievance Mechanism (hereinafter referred to as the “Handling Directions”).

2 Objectives

The Grievance Mechanism for the Procurement Code is established for the following purposes: For the purpose of the Handling Directions, the term “party(ies) concerned” refers to the person/party not complying (possibly not complying) with the Procurement Code and the person/party that has been/may be negatively affected by non-compliance.

- (1) To receive grievances/reports on non-compliance with the Procurement Code and to promptly and appropriately respond to these grievances/reports in a fair and transparent manner; and
- (2) In particular, to develop an appropriate solution by facilitating constructive dialogue between parties concerned to come up with agreed improvement measures to address problems caused by non-compliance with the Procurement Code.

3 Basic Principles

The Handling Directions are based on the basic principles of legitimacy, accessibility, predictability, equitability, transparency, rights compatibility, continuous learning sources, and engagement and dialogue, as stipulated in the “Effectiveness Criteria for Non-Judicial Grievance Mechanism” of the “UN Guiding Principles on Business and Human Rights.”

4 Implementation System

4.1 The Association

The Association establishes and operates the Grievance Mechanism based on Section 3. Basic Principles in order to achieve the objectives set forth in Section 2. Objectives.

The Association requests the cooperation of suppliers of goods, services, and works procured by the Association, licensees licensed by the Association for licensed merchandise for International Horticultural Expo 2027, Yokohama, Japan (hereinafter referred to as “EXPO 2027 YOKOHAMA JAPAN”), and exhibitors, etc. in EXPO 2027 YOKOHAMA JAPAN (hereinafter collectively referred to as “Suppliers etc.”) as necessary, in order to smoothly implement the Grievance Mechanism.

4.2 Expert Committee for the Sustainable EXPO

The Expert Committee for the Sustainable EXPO (hereinafter referred to as “the Committee”) receives updates from the Association regarding grievances/reports received and how these are being responded to. The Committee also advises the Association on how to effectively implement the Grievance Mechanism.

Upon request from the Association, members of the Committee give expert advice on the operation of the Grievance Mechanism based on (1) to (3) below.

- (1) In providing advice, the Committee members are expected to fully understand the concept of sustainability and the purpose of the Procurement Code and the Handling Directions, and to be fully aware that they should fulfil their responsibilities as individuals from an objective and impartial position, not as representatives of their own organizations, etc., in order to ensure the smooth, prompt, appropriate, and effective resolution of grievances/reports received.
- (2) The Committee members shall not divulge to third parties any information that comes to their knowledge at meetings or in the course of their duties. The same applies even after they leave their position.
- (3) When the Committee members are asked to provide advice in the capacity of an expert, an honorarium and necessary travel expenses are paid as stipulated in the payment standards for honorarium of the Association. The honorarium, etc. is paid in a lump sum for each committee meeting, each year, or each time a case is closed.

4.3 Suppliers, etc.

The Suppliers, etc., particularly primary suppliers are required by the Procurement Code to make the efforts to conduct supply chain surveys and encourage their supply chains to comply with the Code. Given this, they are expected to demonstrate compliance with the Procurement Code, to fully understand the Handling Directions and to cooperate in their smooth implementation.

5 Scope (Coverage)

The Grievance Mechanism deals with grievances/reports about non-compliance with the Procurement Code (e.g. grievances/reports on cases of, and cases suspected of non-compliance with the Procurement Code, including non-compliance in supply chains), related to goods, services, and works procured by the Association and licensed merchandise (including those procured from sponsors) (hereinafter collectively referred to as “Procured Goods, etc.”) as well as Procured Goods, etc. procured by exhibitors, etc. in connection with the EXPO 2027 YOKOHAMA JAPAN.

6 Person/party Reporting

Any stakeholders (including their agents), such as a person/party (individual, group, community) who was negatively affected or is likely to be negatively affected as a result of non-compliance with the Procurement Code, can submit grievances/reports. In addition, reprisals against a person/party reporting for making a report are prohibited by the Procurement Code.

7 Period of Receiving Grievances/Reports

The grievances/reports can be received from the day the Grievance Mechanism is established until December 31, 2027. Even if the fact of non-compliance with the Procurement Code occurred before the period of receiving grievances/reports, it may be treated as a case eligible for the Grievance Mechanism.

8 Reporting Procedure

A grievance/report can be filed in writing, using a dedicated e-mail address designated by the Association. For those who have difficulty accessing the Internet, the Association designates an address where grievances/reports may be sent by post. It is necessary to include the required information specified in Section 9. Report Content in the Reporting Form. The language of the report should be Japanese or English.

9 Report Content

It is necessary to include the following information in the Reporting Form, either in Japanese or English. Clarification may be required if necessary information is missing in the Reporting Form.

- (1) Name, address, contact details (e.g. phone number, e-mail address) of person/party reporting
 - * Real name and contact details must be provided. This information will not be disclosed, unless ordered by law. It is possible to remain anonymous in the process.

(2) Information about the person/party reported

* The “person/party reported” refers to the person/party that is believed to be in non-compliance (or facts exist that lead to suspicion of non-compliance) with the Procurement Code according to the submitted grievance/report.

- Name of the person/party reported
- Address and contact details of the person/party reported
- Relationship between the person/party reporting and the person/party reported (e.g. employer and employee)

(3) Information regarding the Procured Goods, etc. procured by the Association or exhibitors, etc.

- Type and name of Procured Goods, etc.; name of manufacturer/distributor/seller of the Procured Goods, etc.; or unique characteristics of the Procured Goods, etc. for products difficult to distinguish only by their names
- The time the product was manufactured/delivered, lot number, and other information (Please provide as much detail as possible)

(4) Detailed information about the negative impact(s) experienced by the person/party reporting or negative impact(s) that has/have a reasonable probability of occurring in the future

(5) Detailed facts of non-compliance (including information that can identify the non-compliance in the process of manufacture and delivery of the Procured Goods, etc. stipulated in (3) above), and the provision of the Procurement Code, based on which the non-compliance is claimed

(6) Causal relationship between the Procurement Code non-compliance and negative impact(s)

(7) Solution expected by the person/party reporting

(8) Record of dialogue with the person/party reported

* In order to encourage voluntary conflict resolution among parties concerned, the person/party reporting is asked to make efforts to have a dialogue with the person/party reported prior to submitting a grievance/report. For this purpose, please specify the concrete actions of the person/party reporting towards a dialogue with the person/party reported, such as details about date and time, counterparts, and response/action taken. However, if it is not possible to have a dialogue between the two parties, details of the circumstances must be indicated in the grievance/report.

(9) Whether or not it corresponds to a case pending in another conflict resolution procedure or a case where procedures in the Grievance Mechanism are currently ongoing (if applicable, provide specific details)

10 Grievance Mechanism Process

The standard process of handling grievances/reports received is shown in Nos. (1) - (6) below. There may be cases wherein some steps may be conducted in parallel or some steps may be omitted, depending on the content and nature of the grievance/report being dealt with.

In a case wherein a party concerned (or its agent) is identified and if dialogue is possible and appropriate, an opportunity for a dialogue among the parties concerned, including agents of the parties concerned, may be provided as a part of this process.

The period of time from the start of the process until the completion of the dialogue is expected to be 2 months. However, it may take more time depending on the content and nature of the grievance/report.

(1) Reception of Grievances/Reports

The person/party reporting submits a grievance/report by sending an e-mail to the Association's e-mail address, containing information described in Section 9. Report Content. Upon receipt of the e-mail, the Association regards the grievance/report as officially received.

It is also possible to submit a grievance/report in writing by sending it to the designated postal address. The detailed information is shown in Reporting Form provided separately.

(2) Examination of Whether to Initiate a Process for Grievances/Reports

The Association examines the grievance/report and decides on whether to initiate the process of the Grievance Mechanism depending on if the grievance/report meets the requirements stipulated in Sections 5 and 7-9 above. The Association will seek expert advice from members of the Committee, as necessary, in the examination.

The Association will notify the person/party reporting whether or not the Grievance Mechanism process is initiated. In case the grievance/report does not meet the criterion to initiate the process, the person/party reporting is informed of the decision and reason. In that case, the Association provides information regarding other grievance mechanism(s), wherever possible.

After obtaining expert advice from members of the Committee as appropriate, the Association may not initiate the Grievance Mechanism process if a grievance/report contains information with malicious purposes (e.g. slander), fabricated information to obtain competitive advantage or other information deemed undoubtedly inappropriate for initiating the process.

(3) Compilation of Information

For grievance/reports that have been determined to meet the criterion to proceed with the process (refer to (2) Examination of Whether to Initiate a Process for Grievances/Reports above), the Association collects information about the grievance/report details from the parties concerned, respectively. The Association listens to the parties concerned in a fair manner, conducts separate interviews in a manner maintaining impartiality, collects relevant documents, and organises discussion points, while seeking active cooperation through two-

way dialogue with the person/party reported.

The Association conducts a field survey, if necessary. During the field survey, additional information is gathered regarding the grievance/report. The Association seeks expert advice from members of the Committee, as necessary. The Association also obtains the knowledge of experts and other third parties, as necessary, to facilitate the processes of the compilation of information and the dialogue between parties concerned.

The Association may not proceed with the process for a grievance/report after obtaining expert advice from members of the Committee as necessary in either of the following cases: (1) In a case where it is found that, as a result of information gathering, the grievance/report is being processed or has been resolved in other conflict resolution procedures, such as judicial or non-judicial procedures by the state or the grievance mechanism of a company, and the issues in such conflict resolution procedures and in the Association's Grievance Mechanism process are substantially the same. It is therefore deemed unnecessary for the Association to proceed with the process in light of the purpose of the Grievance Mechanism; or (2) in a case a substantially identical grievance/report has already been processed in the Association's Grievance Mechanism.

(4) Dialogue between the Parties Concerned

The Association creates an opportunity for a dialogue between the parties concerned. The Association organises and presents relevant facts and discussion points based on the information gathered during (3) Compilation of Information above. The Association facilitates smooth implementation of dialogue in order to obtain a voluntary agreement between the parties concerned.

Members of the Committee provide advice as necessary, participate in the dialogue in some cases, and support facilitation of the dialogue. In cases where it has been recognised that other conflict resolution mechanisms (e.g. dialogues related to labour and management) can better resolve the issues, it is possible for the Association to request the parties concerned to use that mechanism upon confirming the intention of the parties.

The Association notifies the parties concerned about methods of dialogue (e.g. direct meeting, teleconference, e-mail, etc.), standard processing period, and occasional updates regarding the status of the grievance/report.

(5) Improvement Measures

If non-compliance with the Procurement Code by the person/party reported is confirmed as a result of information gathering and dialogue between the parties concerned, the Association requests that the person/party be directed to take improvement measures and submit an improvement plan within a certain period. The person/party reported submits their improvement plan within such period, implements their improvement measures according to the plan that has been approved by the Association, and reports the progress and results of the implementation of the measures to the Association.

In addition, the Association informs relevant parties regarding the progress and results of the improvement plan and improvement measures. In case there are delays in the progress or omissions from the improvement plan, the Association investigates the relevant facts, as necessary.

(6) Completion of the Case

After receiving the report regarding the results of improvement (refer to (5) Improvement Measures above) from the person/party reported, the Association confirms appropriate implementation of the improvement measures by interviewing the parties concerned and then decides on the completion of the process. Relevant parties are informed about the completion of the process.

As deemed appropriate, the Association may decide on the closing of a particular grievance/report in cases such as:

- Resolution of the grievance/report, withdrawal of the grievance/report, or difficulty in confirming non-compliance with the Procurement Code in the course of each procedure mentioned above; or
- It is difficult to foresee a resolution even if the process moves forward; or
- There is no need for improvement measures as agreed by both parties concerned.

11 Reporting to the Expert Committee for the Sustainable EXPO

The Association regularly prepares a report summarising the status of the grievances/reports received in the Grievance Mechanism and results and furnishes it to the Committee.

12 Information Disclosure

- (1) In principle, the Association discloses a brief summary, status of the process, and summary of the result of grievances/reports received, on its website, except if the person/party reporting prefers the case to be confidential. However, information deemed inappropriate for disclosure, such as information with malicious purpose (e.g. slander) and fabricated information to obtain competitive advantage, is not publicised.
- (2) Information stipulated in (1) above is updated regularly. With regards to public disclosure, consideration is given to the privacy of the individual.
- (3) Information publicised in the website is available in Japanese and English.

13 Public Relations

The Association strives to widely disseminate the Grievance Mechanism by publishing the Handling Directions on its website.

Supplementary Provision

1 The Handling Directions came into effect on 28 October 2024.