

“Japan COVID-19 & BHR Basic Actions”

Basic Actions for Promoting Innovative and Responsible Business Conduct for Building Back Better from COVID-19 Crisis

- | | | |
|---|---|---|
| 1. Assess impacts on stakeholders | 2. Ensure occupational safety and health | 3. Retain employment |
| 4. Be responsible through supply chains | 5. Give due consideration to workers with unstable labor relations | 6. Give due consideration to socially vulnerable groups |
| 7. Strengthen grievance mechanisms | 8. Support and respect healthcare professionals and essential workers | 9. Protect privacy |
| | 10. Promote Partnership | |

May 2020

Business and Human Rights Lawyers
Network Japan

I. Purpose and Background

The global pandemic of COVID-19 has had a serious negative impact on human rights of stakeholders as well as on business activities. There is concern that socially vulnerable groups, such as children, older persons, women, persons with disabilities, and foreigners, have been disproportionately and significantly affected.

Under the situation where both business and human rights face crises, how states can fulfill their duty to protect human rights and how business can fulfill their responsibilities to respect human rights under the United Nations Guiding Principles on Business and Human Rights (the "Guiding Principles") have been challenged. The Guiding Principles, in align with the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, recommend business to conduct due diligence for respecting human rights and for promoting responsible business conduct.

In addition to government measures to maintain the economic activities of corporations and the livelihoods and employment of citizens, companies are expected to take innovative and responsible actions to minimize the negative impact on human rights as much as possible through dialogue and collaboration with other stakeholders.

COVID-19 crisis provides an opportunity for business to share and realize their values embedded in respect for the human rights of stakeholders, and to be transformed into truly sustainable business by adding values and fulfilling responsibilities to the society. This effort would enhance business resilience to crises, strengthen business continuity, and increase corporate values in the medium to long term.

Against this backdrop, the Basic Actions below list ten actions that Japanese companies are expected to take for promoting responsible business conducts in accordance with the Guiding Principles during and beyond the COVID-19 crisis.

These basic actions will lead to the promotion of responsible business conduct and responsible supply chain, as well as initiatives in line with the pledge of SDGs (Sustainable Development Goals) to leave no one behind; ESG (Environmental, Social and Governance) Investing; and the Corporate Governance Code.

II. Formulation Process

The Basic Actions have been formulated by the Business and Human Rights Lawyers Network Japan (BHR Lawyers), which is comprised by lawyers and scholars active in diverse areas ranging from business law practices to human rights advocacy. The formation and dissemination of the Basic Actions has been supported by the Japan Responsible Supply Chains Committee, which is led by Global Compact Network Japan

and BHR Lawyers, and is comprised by multi-stakeholder members from business, investors, civil society, and international organizations. Institutional investors and other stakeholders also gave us messages to support business efforts based on the Basic Actions. We request Japanese business and other stakeholders to support the initiative for promoting innovative and responsible business conducts in overcoming the COVID-19 crisis.

III. Basic Actions

For building back better from the COVID-19 crisis, Japanese businesses are expected to make efforts based on the following ten basic actions on responsible business conduct engaging and collaborating with stakeholders and to disclose the status of their efforts to the extent possible. In promoting these efforts, company management are expected to demonstrate leadership and strengthen corporate governance for enhancing the resilience of business and society in an innovative way.

1. Assess impacts on stakeholders

Business should assess impacts of the COVID-19 pandemic on their stakeholders, including the impacts on workers related with its business and supply chains.

2. Ensure occupational safety and health

Review and ensure occupational safety and health measures for workers from the viewpoint of preventing a COVID-19 infection and maintaining their mental health.

3. Retain employment

Retain workers in employment as much as possible and pay compensations in accordance with the law if furlough is unavoidable. In case it is necessary to consider temporary layoffs, termination of employment or other disadvantageous treatment, endeavor to mitigate, as much as possible, negative impacts on workers through dialogue with trade unions and workers' representatives.

4. Be responsible through supply chains

As much as possible, take measures to mitigate impacts on suppliers (taking actions for subcontractors' delay in delivery; sharing additional costs appropriately; prompt and flexible payment, and response to cancellation and change of orders).

At the same time, encourage suppliers to mitigate, as much as possible, negative impacts on their workers in terms of health, safety, and retaining employment.

5. Give due consideration to workers with unstable labor relations

Acknowledge that workers with unstable labor relations, such as migrant workers, non-regular employees, gig workers, and informal workers, are particularly vulnerable to the COVID-19 pandemic, and seek to mitigate impacts on them.

6. Give due consideration to socially vulnerable groups

Acknowledge that socially vulnerable groups, including children, older persons, women, person with disabilities, foreigners, and sexual minorities, regardless of their employment status, are particularly vulnerable to the COVID-19 pandemic, and seek to mitigate impacts on them. Prevent discrimination and prejudice against them.

7. Strengthen grievance mechanisms

Establish grievance mechanisms or strengthen existing systems to adequately handle complaints and problems addressed by stakeholders, including workers in supply chains, with a view to ensuring access to remedies.

8. Support and respect healthcare professionals and essential workers

Support healthcare professionals by providing them with protective equipment, medical materials, and other goods and services. Consider making intellectual property rights accessible for free for manufacturing therapeutic drugs, vaccines, medical devices, etc. Consider investing in human resources in the healthcare field. Prevent discrimination and prejudice against healthcare professionals and essential workers and disclose measures taken to that end.

9. Protect privacy

In assisting the government's use of digital surveillance technologies to prevent the spread of the virus infection by providing technical support or information, review the measures from a privacy point of view and ensure transparency of the process.

10. Promote partnership

Collaborate with governments, businesses, civil society and other stakeholders to overcome the COVID-19 crisis. In addition to requesting the government to take measures to protect workers, etc., cooperate in the implementation of the governmental measures by sharing information on social protection measures with workers, etc.

IV. Excerpt of Messages

Ms. Zeniya Miyuki, Head of Sustainable Finance, The Dai-ichi Life Insurance Company, Limited

As an institutional investor, we expect companies to promote responsible business conduct in the COVID-19 crisis. If companies support this initiative and actively disclose the information related to their efforts, we will positively evaluate such efforts of companies, which can serve as a role model for other companies. We hope that many companies can demonstrate the SDGs' pledge "Leaving No One Behind" for this occasion.

“Japan COVID-19 & BHR Basic Actions” Basic Actions for Promoting Innovative and
Responsible Business Conduct for Building Back Better from COVID-19 Crisis (1st edition)

Date of Publication : May 29, 2020

Author : Business and Human Rights Lawyers Network Japan

Contact Information

Business and Human Rights Lawyers Network Japan Secretariat

(Emi Omura Akiko Sato Daisuke Takahashi)

URL: www.bhrlawyers.org

C/O Research Center for Sustainable Peace (RCSP), the University of Tokyo

3-8-1 Komaba, Meguro-ku, Tokyo, 153-8902, JAPAN

TEL: +81-3-5465-8842
