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Nippon CSR Consortium

Human Rights Issues by Sector (2013)

The members of the Nippon CSR Consortium, made up of companies, NGO/ NPOs, academics and related institutions, have been working to identify the potential negative impacts of corporate activities on human rights by sector. The draft version of the “Human Rights Issues by Sector” document was open for public consultation between January 10th and 31st 2013. Valuable comments have been received from different organisations at home and abroad.

Following consideration of these comments, the Nippon CSR Consortium herewith issues “Human Rights Issues by Sector (2013)”. The paper maps human rights issues that are considered likely to be related to the 10 sectors following discussions at the Nippon CSR Consortium and on the basis of internationally recognised guidance such as the UNEP FI Human Rights by Sector and the UN Guiding Principles. Of course, the paper should not be read as confining a particular issue to a certain sector only, or to the effect that a particular issue *always* arises in a given sector. Further identification of sector-specific human rights issues and implementation of appropriate prevention/mitigation measures would be expected hereafter.

Please refer to “Human Rights Issues by Sector (draft) Consultation Summary Report” for details of the public consultation.

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1. Manufacturing

Key human rights issues in the manufacturing sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Working hours of foreign workers at manufacturing sites in Japan and Asian workers in the development unit may not be controlled well. Unpaid overtime work
		Health and safety	<ul style="list-style-type: none"> Severe incidents causing death or injury especially within research and development, as well as manufacturing sites. Long working hours may cause health problems, in particular, mental health problems. Health and safety issues in the supply chain (e.g. conflict mineral)
	Discrimination	During work	<ul style="list-style-type: none"> Gender inequality in training and promotion (discrimination against female workers).
		Redundancy and dismissal	<ul style="list-style-type: none"> Foreign workers may possibly be dismissed without due cause.
	Child labour	Worst forms of child labour	<ul style="list-style-type: none"> There may be possible risks in supply chains across the Asian continent.
	Forced or compulsory labour	Forced overtime	<ul style="list-style-type: none"> Foreign technical interns in Japan may be forced to do extra work.
	Freedom of association and collective bargaining	—	<ul style="list-style-type: none"> Possible inequality between regular employees and non-regular employees, and between union members and non-union members. Possible absence of proper unions as representative of workers despite the existence of the right to collective bargaining The rights of workers may not be sufficiently ensured under the union shop system.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Abuse and pollution of water and land at factories and sites.
	Security	Non-state groups and security payments	<ul style="list-style-type: none"> Possible diversion of funds to non-state groups during procurement. (e.g. conflict mineral)
Society and government	Relations with governments	Relations to states with poor human rights records	<ul style="list-style-type: none"> Possible diversion of funds to non-state groups during the procurement process. (e.g. conflict mineral)
		Bribery and corruption	<ul style="list-style-type: none"> Possible risks of bribery and corruption when entering into a contract, as well as of being involved in corrupt practices when receiving orders from government.
Consumer	Relations with	Health and	<ul style="list-style-type: none"> Making positive impacts on changing

	customers	safety	consumer behaviours (e.g. conducting responsible marketing).
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2. Chemicals and Pharmaceuticals

Key human rights issues in chemical sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	<ul style="list-style-type: none"> Risks of skin injuries and cancers posed by the use of chemical materials.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Progressive increase in discharge and leak of hazardous materials, water and air pollution at manufacturing sites as well as during transportation.
	Access to land	Voluntary relocation-consultation and compensation	<ul style="list-style-type: none"> Inadequate compensation on relocation may create tensions with local communities when developing sites, which may endanger the safety of both corporate and community members.

Key human rights issues in pharmaceutical sector			Concrete issues
Core operation/ Supply chain	Work conditions and others	Health and safety	<ul style="list-style-type: none"> The use of chemical compound or/and pharmaceutical products is likely to endanger the health and safety of employees. During the clinical development stage of pharmaceutical production, the health and safety of study participants may not be managed properly at contact research organizations.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Sourcing natural compounds that are essential for drug development may possibly heighten tensions between companies and local communities. Especially (e.g. Bio-Piracy; deprive benefit of community through a patent monopoly for compound made from medicinal plants which historically diffuse within a local community)
	Community investment	—	<ul style="list-style-type: none"> Having positive impacts on public health such as rising awareness on diseases and ensuring access to medicine.
Society and government	Relations with governments	Relations with poor human rights record	<ul style="list-style-type: none"> Support for public health in state/ local community may be misused for their political purposes such as propaganda
Consumer	Relations with patients	Health and safety	<ul style="list-style-type: none"> Taking positive actions towards the fight against counterfeit medicines

			<ul style="list-style-type: none"> Report delay on adverse drug reactions and delay in recall may endanger health and safety of patients
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3. Information, Communication and Technology

Key human rights issues in ICT sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long working hours (including attendance at weekends) and unpaid work in the process of system development, during the busiest period (e.g. pre-release time) and in the case there are numbers of design changes.
		Health and safety	<ul style="list-style-type: none"> Health problems, especially mental health problems, may be raised because of the long working hours described above.
	Discrimination	During work	<ul style="list-style-type: none"> Gender inequality in training and promotion (discrimination against female workers).
	Freedom of association and collective bargaining	Conflict with local law	<ul style="list-style-type: none"> Freedom of association and the rights to collective bargaining may not be fully ensured in the supply chain.
	Protection and storage of personal data	—	<ul style="list-style-type: none"> There may be risks of leaking personal data both at the company and subcontractors.
Community	Resources	Use of infrastructure	<ul style="list-style-type: none"> Having a positive impact on local communities such as improving local infrastructures through the establishment of ICT network system.
	Community investment	—	<ul style="list-style-type: none"> Making a positive impact on local communities through provision of information and ICT service, such as enhancement of local people's lives by improving the digital divide.
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> There may be risks of being involved in bribery and corruption, notably in offshore market research, and sales and marketing (especially in ICT service provision for governmental agencies.)
Consumer	Relations with customers	—	<ul style="list-style-type: none"> Privacy rights and the rights to freedom of speech and expression may possibly be violated. (Especially related to the communication sector)

4. Logistics

Key human rights issues in logistics sector			Concrete issues
Core operation/ Supply	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long working hours may happen, especially at the sites and subcontractors.
		Health and	<ul style="list-style-type: none"> Workplace accidents could possibly occur at

chain		safety	<p>sites including a ship under operation and a freightliner terminal, where heavy machinery is used and heavy goods are handled (Shipping).</p> <ul style="list-style-type: none"> • Risks to employee safety in the areas where pirates operate (shipping). • Long working hours may cause mental health problem
	Discrimination	During work	<ul style="list-style-type: none"> • Possible discrimination in training and promotion by gender and educational backgrounds.
		Redundancy and dismissal	<ul style="list-style-type: none"> • The requests of part-time and irregular workers for open-ended employment contracts may not be fully considered.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> • Environment, air, and water pollutions, as well as the destruction of habitat diversity, may happen in the supply chain of fuel procurement.
	Security	State provision of security	<ul style="list-style-type: none"> • Possible risks of excessive power exercise by national navies deployed against pirates. • Armed security personnel on board a ship may exercise excessive power toward sailors and pirates.
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> • Possible risks of being involved in bribery and corruption such as facilitation payment.

5. Apparel and Textiles

Key human rights issues in apparel and textiles sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> • Long hours working may be caused by setting production schedules that presuppose overtime work, and undertaking actions to meet deadlines in sewing process.
		Wages	<ul style="list-style-type: none"> • Pressure from buyers on cost reduction may result in ignorance of minimum wage legislation.
		Health and safety	<ul style="list-style-type: none"> • Education on safety and health, including emergency drill, may not be conducted or may not be conducted properly.
	Child labour	Minimum age	<ul style="list-style-type: none"> • Children under the minimum age may work without confirming identification papers or based on forged papers.
	Forced or compulsory	Forced overtime	<ul style="list-style-type: none"> • Immigrant workers in China and foreign trainees in Japan may be forced to do overtime

	labour		work.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Discharging of hazardous material from leather tanneries and dye houses may pollute rivers, and may damage local people's health.
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> Making positive impact towards changing consumer's mind, and creating ethical marketing (e.g. promoting fair trades)

6. Food and Retail

Key human rights issues in food and retail sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Long hour working may be a burden at the manufacturing factories (supplier) where private brand products are made and within logistics networks that distribute the goods.
		Health and safety	<ul style="list-style-type: none"> Fatal and non-fatal incidents and injuries in production process including handling sourcing material, and in handling chemical substances in supply chain
	Discrimination	During work	<ul style="list-style-type: none"> Foreign workers may not be ensured access to safety education because of language barriers.
	Child labour	—	<ul style="list-style-type: none"> Child labour of children under the minimum age and forced labour may possibly occur at suppliers of raw materials, for example agricultural and fishery products
	Forced or compulsory labour	—	<ul style="list-style-type: none"> Production is often concentrated, such as seasonal products, in our sectors. Forced overtime work may be observed in the busiest periods.
	Freedom of association and collective bargaining	Conflict with local law	<ul style="list-style-type: none"> Freedom of association and the rights of collective bargaining may not be fully ensured based on international laws in the country where unions are not allowed.
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> Agricultural production and fish hauls in the communities which run small operations may be decreased because of large-scale commercial agriculture and fishing, and the local ecological system may be affected negatively. Culturally/ historically/ religiously important sites for local communities or indigenous people may be damaged.
	Security	State provision of security	<ul style="list-style-type: none"> Lack of a balance of securities provided by state, sometimes securities may exercise excessive power, or may not ensure enough and adequate security.

	Access to land	Title to land	<ul style="list-style-type: none"> Especially when constructing large stores, titles to the land of local people or indigenous groups may be ignored.
Society and government	Relations with governments	Bribery and corruption	<ul style="list-style-type: none"> Bribery and corruption may be required when a company expands its business and develops a new store and plants need to gain approval and licenses for marketing and manufacturing.
Consumer	Relations with customers	Health and safety	<ul style="list-style-type: none"> Promoting responsible marketing, especially giving consideration to consumer health in alcohol and tobacco sales, and on consumer safety in use of electricity devises and toys. Low quality addictive substances and inadequate labeling may cause consumers' health risks.

7. Paper and Printing

Key human rights issues in paper sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Health and safety	<ul style="list-style-type: none"> There may be possible risks of accident when logging and operating heavy machineries
	Discrimination	During work	<ul style="list-style-type: none"> Workers may be subject to lack of equal opportunity for education, training and promotion due to gender discrimination or/and nationality discrimination
Community	Resources	Use of natural resources	<ul style="list-style-type: none"> In term of forest resources, the rights of indigenous people and local communities may not be fully considered. Especially in the case where a company purchases woodchips rather than sawing from company-owned forests, there may be possible risks of the company being involved in human rights violations related to logging.
	Access to land	Title to land	<ul style="list-style-type: none"> Lack of formal tenure arrangements, or tenure based on historical use rather than documentation can lead to traditional rights being overlooked.

Key human rights issues in printing sector			Concrete issues
Core operation/ Supply chain	Work conditions	Working hours	<ul style="list-style-type: none"> Working long hours in sales and marketing, in the factory, at suppliers and subcontractors.
		Health and safety	<ul style="list-style-type: none"> Potential cancer risks caused by using chemical materials in enclosed spaces with less ventilation and in printing factories.
	Discrimination	During work	<ul style="list-style-type: none"> Foreign workers may be subject to lack of health and safety education due to language

			barriers.
	Child labour	—	<ul style="list-style-type: none"> There could possibly be child labour within the supply chain (at subcontractors, and Asian factories where products for give-away campaigns are made)
	Forced or compulsory labour	Prison labour	<ul style="list-style-type: none"> Prison labour (known as “keimusagyō (prison industry)” in Japanese) may be used and workers may not receive adequate payment (*).
Consumers	Relations with customers	Protection and storage of personal data	<ul style="list-style-type: none"> There may possibly be a leak of personal data that the printing company acquires to produce products such as credit cards.

* The use of prison labour is facilitated by national policy in Japan. This means that the issue is not limited to the printing sector, and could potentially relate to all sectors.

8. Finance

Key human rights issues in the financial sector			Concrete issues
Core operation/ Supply chain	Workplace conditions	Working hours	<ul style="list-style-type: none"> Working long hours as customer’s needs and operations diversify, and increase in non-routine work
		Health and safety	<ul style="list-style-type: none"> Long working hours may cause illness including mental health problems
	Discrimination	During work	<ul style="list-style-type: none"> Possible gender discrimination in training and promotion
Community	Access to land	Title to land	<ul style="list-style-type: none"> Lack of regulations for protecting land ownership, such as hypothec in regards to financial transactions, may lead to infringement of human rights. There may be risks regarding lender’s responsibilities concerning credit mortgages.
	Community investment	—	<ul style="list-style-type: none"> Having positive impacts on job creation and access to education through microfinance. Having positive impacts by dealing financial products designed to support infrastructure improvement in developing countries.
Customer	Relations to investments, loans, and individual investors	—	<ul style="list-style-type: none"> Human rights are not fully considered when conducting screening and audits in regard to funds and investment. Compliance with the Equator Principles

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