Guidance Document on Business and Human Rights

Multi-Stakeholder Business and Human Rights Group









About the Multi-Stakeholder Business and Human Rights Group

Formed in 2019, the main objective of the Multi-Stakeholder Business and Human Rights Group is to promote the application of the United Nations Guiding Principles on Business and Human Rights in the Philippines. It is composed of the following:

Commission on Human Rights

Alyansa Tigil Mina

Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC)

Ateneo Human Rights Center

Employers Confederation of the Philippines (ECOP)

First Philippine Holdings Inc. (FPH)

Foundation for Media Alternatives (FMA)

Initiatives for Dialogue and Empowerment through Alternative Legal Services (IDEALS)

Oxfam Philippines

Philippine Alliance of Human Rights Advocates (PAHRA)

University of Asia and the Pacific – Center for Social Responsibility

University of the Philippines – Institute of Human Rights

UN Women

Publication Information

Published by the Commission on Human Rights of the Philippines December 2020

Economic, Social, and Cultural Rights Center Commission on Human Rights of the Philippines SAAC Building, University of the Philippines Complex Commonwealth Avenue, Diliman, Quezon City, Philippines

Tel.: (+632) 8294-8704 / (+632) 8282-1878

Email: escrc2016chrp@gmail.com

Web: http://chr.gov.ph/

This publication is supported by the European Union (EU) and UN Women through the WeEmpowerAsia Philippines Programme. The views expressed in this publication do not necessarily reflect those of the EU, including the EU Member States, or the UN Women.

This publication may be reproduced, in whole or in part, provided that full attribution to this work is given.

Drafted by the Multi-Stakeholder Business and Human Rights Group Edited by Sigrid Jan L. Sibug Illustration and Layout by Ian R. Villanueva

TABLE OF CONTENTS

FOREWORD	i
EXECUTIVE SUMMARY	iii
INTRODUCTION	1
Who is this Guidance Document for?	1
What is the purpose of this Guidance Document?	1
How was this Guidance Document produced?	1
Who are the contributors to this Guidance Document?	1
1 CONTEXT	2
1.1 Global context	2
Megatrend 1: Shift in global economic power	3
Megatrend 2: The rise of technology	3
Megatrend 3: Changing demographics	3
Megatrend 4: Accelerating urbanization	3
Megatrend 5: Climate change	3
1.2 Country context	4
1.3 The need for a human rights-based approach to sustainable development	5
2 BUSINESS AND HUMAN RIGHTS	5
2.1 Evolution of corporate social responsibility (CSR) to the UNGP-BHR Framework	6
2.2 The UNGP-BHR: "Protect, Respect, and Remedy" Framework	7
Pillar 1: State duty to protect human rights	7
Pillar 2: Corporate responsibility to respect human rights	8
Pillar 3: Access of victims to remedy	8
2.3 Alignment of the UNGP-BHR, SDG 2030, and PDP-AmBisyon Natin 2040	9
3 WHAT IS IN IT FOR US?	9
3.1 Government	11
3.2 Business sector	11
3.3 CSOs	12
3.4 Communities	13
4 HOW DO WE DO IT?	
	13 13
4.1 Establish inclusive human rights governance	
Enabling policy environment and guidelines for business respect for human rights	13
Policy commitment of businesses to respect human rights	14 15
4.2 Embed the practice of comprehensive human rights due diligence	15
Human rights impact assessment	16
Community-based human rights impact assessment Value chain mapping	16
4.3 Ensure effective and gender-transformative remediation mechanisms	17
Role of the State to improve accountability	17 17
Operational-level grievance redress mechanisms	17
5 ACCOUNTABILITY AND TRANSPARENCY	18
5.1 Government monitoring	18
5.2 Corporate reporting	19
5.3 Alternative reporting by the CSOs	19
6 CALL TO ACTION	20
ANNEX	
CITATIONS	

FOREWORD

Message from the Commission on Human Rights of the Philippines

In 2011, the United Nations Human Rights Council unanimously endorsed the UN Guiding Principles on Business and Human Rights (UNGP-BHR), a set of standards that expound on the State's duty to protect human rights, the corporate responsibility to respect human rights, and the duty to remedy abuses. This is a document that marks a milestone — one that lays down the principles and practices of human rights to be respected while in pursuit of business. Significantly, the UNGP-BHR prescribes the behavior that should be observed across industries and the measures expected from States.



The Commission on Human Rights, as the national human rights institution with the mandate to promote and protect human rights in the Philippines, is your partner in mainstreaming UNGP-BHR. Along with programs to popularize the UNGP-BHR and handling relevant cases, it has actively advocated for the BHR agenda in the country since 2011. It has drafted position papers to include business and human rights-related provisions in the proposed legislation. Also, it has been working closely with different stakeholders, CSOs, and government agencies alike in enhancing existing mechanisms, such as through the crafting of guidelines in the national monitoring of human rights compliance in the mining industry and endorses the adoption by the Philippines of a national action plan on BHR.

As such, this guidance document is another tangible tool that will assist advocates in popularizing BHR in the country. Through this document, the Commission, together with its partners manifests our commitment to engage all stakeholders, share knowledge and best practices, gain a deeper understanding of the UN Guiding Principles, and help everyone understand their role, keeping in mind the pillars of **Respect, Protect, and Remedy.**

I would like to extend my congratulations to the Multi-Stakeholder BHR Group and everyone who in one way or another contributed to this document. May this catalyze building solution-oriented mechanisms addressing human rights issues in the context of business activities, and more importantly for collaboration among the stakeholders.

JOSE LUIS MARTIN C. GASCON

Chairperson

Message from the Commission on Human Rights of the Philippines



The UN Guiding Principles on Business and Human Rights (UNGP-BHR) speaks not only of the duty of States to prevent human rights abuses by businesses, but also of the responsibility of businesses to respect human rights, even without State intervention.

Indeed, the UNGP-BHR, derived from laws and principles, recognized under international law – including customary law and human rights laws, treaties and conventions – sets the standards for corporate behavior, which States must guarantee to their citizens, through the creation and firm implementation of laws.

Business enterprises contribute to the growth and development of society: they help provide jobs, improve public services, increase access to healthcare, develop new technologies, and do many more. Unchecked, however, the pursuit of profit makes businesses prone to commit abuses against people, the environment, and, of late recognition, the global climate system.

In September 2019, the Commission on Human Rights, through its Economic, Social and Cultural Rights Center, organized the Multi-Stakeholder Forum on Business and Human Rights. It convened national government agencies, civil society organizations, the academe, and the business sector to advocate the implementation of the UNGP on BHR in the Philippines.

Out of this forum emerged the Multi-Stakeholder BHR Group, a network of partners, advocating the mainstreaming of the UN Guiding Principles for businesses in the country. It prepared this Guidance Document, which especially considers conditions unique to the country. This document also seeks to address the lack of understanding and appreciation within the private sector of its responsibility to respect human rights, and the importance of upholding human dignity and eliminating all forms of discrimination in their business operations.

In promoting a Human Rights Based Approach (HRBA) to doing business in the Philippines, the Multi-Stakeholder BHR Group hopes to establish better transparency and accountability in business, as well as provide effective access to remedies where human rights are infringed.

This Guidance Document is a testament to what can be achieved with cooperation among the business sector, non-government organizations, the academe, the government, and a National Human Rights Institution. I wish to congratulate all the members of the Multi-Stakeholder BHR Group for this noteworthy effort.

ROBERTO EUGENIO T. CADIZ Commissioner

EXECUTIVE SUMMARY

The unanimous endorsement of the UN Guiding Principles on Business and Human Rights (UNGP-BHR) by the UN Human Rights Council in 2011 has set a coherent global standard on the expectation businesses will respect human rights through integrating human rights in their practices and policies. The successful implementation of the UNGP-BHR rests on the stakeholders' appreciation of their respective duty to protect and respect human rights. It requires a tangible tool that stakeholders can use to help them understand the UNGP-BHR and their specific roles in the overall protect, respect, and fulfill human rights framework.

This Guidance Document provides a foundational guide on how to implement respect for human rights in the Philippine business setting. Premised on the UN Working Group on Business and Human Rights' emphasis that "a gender perspective is always appropriate for all States and businesses in all situations," 1 this Guidance Document underscores that gender is a cross-cutting concern in securing a better future for the people, planet, prosperity. Also, consistent with the principle of non-discrimination, it puts forward that the rights and needs of vulnerable or marginalized populations, such as indigenous peoples, must be given due regard in the application of the UNGP-BHR.² It introduces a succinct analysis of the UNGP-BHR and offers each stakeholder recommendations and action steps to deepen the discourse of business and human rights and ensure business respect for human rights in the country.

It contains the following sections:

Section 1: Context explores global and local situations that we are facing today. It gives

attention to five major global megatrends, their manifestations in the Philippines, and their implications for human rights and sustainable development.

Section 2: Business and human rights analyzes business interaction with human rights and the norms on business responsibility toward the people and society. It looks into the evolution of corporate social responsibility to the UNGP-BHR framework and the latter's alignment with the Sustainable Development Goals and the Philippine Development Plan 2017-2022.

Section 3: What is in it for us? examines the benefits of applying the norms and expectations contained in the UNGP-BHR. It presents both economic and social benefits of incorporating the human rights framework in business policies and practices.

Section 4: How do we do it? recommends action steps to each stakeholder, which are summarized into three Es: establish inclusive human rights governance, embed the practice of comprehensive human rights due diligence, and ensure effective and gender-transformative remediation mechanisms.

Section 5: Accountability and transparency

lays down existing monitoring and reporting policies for businesses and suggestions on improving corporate accountability and transparency in relation to human rights.

Section 6: Call to action identifies the next steps that all stakeholders should pursue to implement the UNGP-BHR in the country. It emphasizes that the UNGP-BHR presents us with a platform for constructive engagement and partnerships.

INTRODUCTION

Who is this Guidance Document for?

This Guidance Document is for the government, the business sector, civil society organizations (CSOs), and communities. While the government and the business sector, as duty-bearers, have leading roles in the application of the United Nations Guiding Principles on Business and Human Rights (UNGP-BHR) in the country, CSOs and communities have a crucial role as key stakeholders in the business and human rights discourse in the country. This guidance is also for anyone who wishes to know more about how human rights are relevant to businesses, the expectations from each stakeholder, and how to secure people's dignity and human rights in a business context.

What is the purpose of this Guidance Document?

This Guidance Document intends to inform all stakeholders of the prevailing norm and key expectations under the UNGP-BHR concerning the protection and respect of human rights in the business setting. As it builds on existing efforts of the stakeholders to incorporate human rights in their practices, it aims to equip them with practical guidance on how they can better fulfill their respective obligations and responsibilities concerning business interaction with human rights, including the integration of a gender perspective. It also presents opportunities for all stakeholders to work together and appreciate the spaces they can benefit from and contribute to sustainable, inclusive development.

How was this Guidance Document produced?

In September 2019, the Economic, Social, and Cultural Rights Center (ESCRC) of the Commission on Human Rights (CHR) initiated a Multi-Stakeholder Forum on Business and Human Rights. The forum gathered the stakeholders to create the Business and Human (BHR) Agenda and to form the Multi-Stakeholder BHR Group to promote the application of the UNGP-BHR in the Philippine context. The primary objective of the Multi-Stakeholder BHR Group is to contribute to the understanding of the relevant stakeholders of their human rights obligations and responsibilities as well as provide them with guidance for a more holistic and all-inclusive approach to the protection and respect of human rights.

In partnership with the CHR, the Multi-Stakeholder BHR Group spearheaded the development of this Guidance Document as an initial effort to advance the BHR Agenda in the country. The insights shared by the stakeholders in the consultations that followed formed the backbone of this Guidance Document.

Who are the contributors to this Guidance Document?

This Guidance Document is a product of the close collaboration of the member-organizations of the Multi-Stakeholder BHR Group, led by the ESCRC of the CHR. The publication of this Guidance Document is supported by the European Union and UN Women through the WeEmpowerAsia Philippines Programme.

1. CONTEXT

1.1. Global context

In today's world, governments, businesses, and societies operate in a disruptive environment that can be described as volatile, uncertain, complex, and ambiguous, or known as VUCA.³ In such an environment, powerful economic and geostrategic forces, termed as megatrends, reshape the world and the business landscape as we know it. The five megatrends that have largely contributed to the reconfiguration of the patterns of social, economic, and power relations within and between countries are a) the shift in global economic power, b) changing demographics, c) the rise of technology, d) accelerating urbanization, and e) climate change.⁴ As agents of both positive and negative growth, the megatrends affect almost everything. While these can bring opportunities to some, the resulting disruptions and imbalances present obstacles to achieving sustainable development that benefits all. Moreover, the emergence of the coronavirus disease 2019 (COVID-19) as the defining global crisis of our time has aggravated the impacts of the megatrends and the vulnerabilities of institutions, business models, and communities.

Although these megatrends and the COVID-19 pandemic have had dramatic impacts, these forces also present an opportunity to bring about the necessary changes and transform the way society operates. For governments, businesses, and societies to thrive, it is necessary to manage the impacts and the resulting changes in the political, economic, social, cultural, technological, environmental, and legal aspects efficiently and collaboratively. Thus, it calls for a whole-of-society approach as we "adapt" and "adopt" to these circumstances. By working together to overcome the current disruptions and maximize the opportunities, a better, more just, and sustainable future can be created where human rights are of utmost importance and the benefits from economic growth are shared.

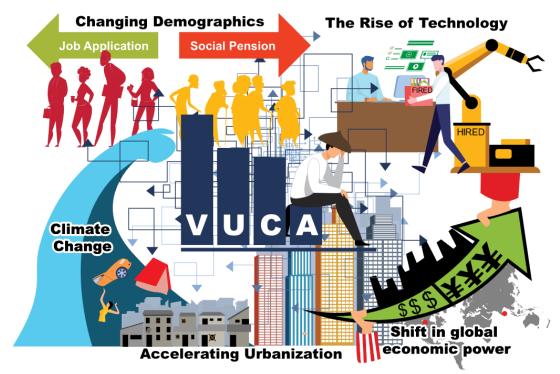


Figure 1: The Five Megatrends

Megatrend 1: Global economic power shift

Global economic power has shifted from West to East, with China at the forefront of this transition.⁵ From being sources of raw materials and labor, emerging economies are evolving into exporters of capital and hubs of important economic products and services.⁶ It is altering the global pattern of capital flow, government regulations and investment support, and business processes in ways that have implications for sustainable development. A common challenge despite the growth in emerging economies is the increasing disparity in economic participation between women and men. Women face a higher likelihood to fall into vulnerable employment, such as in the service and manufacturing sectors.

Megatrend 2: The rise of technology

Advancements information in and communications technology (ICT) have made market interactions and financial transactions easier and faster. Some corporations are now using machine learning capabilities and artificial intelligence for routine and support work. While this megatrend can generate new investment opportunities, it has negative and positive impacts on the world of work. For those in industries where human labor is replaceable by technology, e.g., in the business process outsourcing industry, it can lead to job insecurity and job displacement. For those who can adapt and transition, they can maximize the growing availability of remote work.

Megatrend 3: Changing demographics

Shifts countries' demographics contribute to the other megatrends, such as the shift in economic power and rapid urbanization. Countries with rising populations will have larger labor supply and consumer markets, while countries with aging populations will have constrained workforces. These situations lead to several scenarios that will force governments and the business sector to change how they perceive social changes. Moreover, shifts in demographics can create a double challenge for women who are often expected to take on care-taking responsibilities, which extend from the young to the elderly members of the family. It also raises questions about the sustainability of social security programs.

Megatrend 4: Accelerating urbanization

The ongoing global trend in which people are slowly concentrating on living in urban areas is linked to the rapid increase of megacities in the last three decades.⁷ Accelerating urbanization contributes to other megatrends, such as climate change due to higher carbon emissions in urban areas. It can result in job increased investments creation, infrastructures and healthcare systems, and drastic security improvements. However, it can also lead to issues in accessing resources and services tailored to the needs of the vulnerable and marginalized sectors, e.g., the lack of access to sexual and reproductive health services of women and youth. This situation also impacts the health and well-being of employees in urban areas.

Megatrend 5: Climate change

The impacts of climate change affect almost every aspect of the human and natural world. Likewise, every known industry is at risk, forcing the private sector to "futureproof" their businesses by introducing new ways of doing business to ensure survivability amid the changing climate. Although everyone experiences climate change impacts, women are disproportionately affected because climate-related hazards exacerbate gender inequalities.8 Climate change transformative and sustainable approaches from the government, the private sector, and communities.

1.2. Country context

Megatrend 1: The Philippines is one of the eleven developing mid-tier countries, dubbed as the "Next Eleven," projected to collectively surpass the 27 European Union states in terms of global power by 2030. The country is an active participant in the growing South-South trade relations, investment ties, and economic diplomacy, with China leading this economic relationship. The proliferation of trade agreements and investment opportunities, particularly on mega infrastructure projects and the extraction of natural resources, have come at the expense of land and human rights of rural and urban communities.

Megatrend 2: The Filipinos are the world's heaviest Internet users with 72% of the population have access to the Internet and a social media penetration rate of 71%, 26 points higher than the global average. As ICT is becoming an integral part of everyday life, Filipinos are at increased risk of exposure to misinformation campaigns and digital rights abuses. In the world of work, the International Labour Organization (ILO) estimated that at least 49% of Filipino workers are at high risk of job loss due to automation, with women being more vulnerable than men. According to the World Bank and the National Economic Development Authority (NEDA), digitalization is key to the country's recovery from the impact of COVID-19 and achieve its vision of becoming a society free of poverty.

Megatrend 3: The Philippine Statistics Authority projects that from 4.3% in 2010, the elderly population (65 years and above) will increase to 11.4% in 2045. The working-age population (15 to 64 years old) will rise to more than 67.5% by 2045 from 62% in 2010. As reported by the NEDA, population growth in the country is slowing down, but the population size is increasing due to the high fertility rate. Consequently, marriage and child-bearing are among the reasons for the low level of female labor force participation in the country, which has declined to about 49 to 50% in the last two decades. The continued increase in population size and unequal access to employment opportunities between women and men present serious challenges to inclusive, sustainable development.

Megatrend 4: Rapid urbanization is also evident in the Philippines. The country has 33 highly urbanized cities, with the National Capital Region, Metro Cebu, Metro Davao, and Metro Cagayan de Oro having the highest populations. ¹⁷ The World Bank reported in 2017 that half of the country's population lives in cities, and it is expected to reach 84% by 2050. ¹⁸ In the same report, the number of informal settlers has increased from 4.1% in 2003 to 5.4% in 2012, or roughly 2.2 million people out of the total urban population. ¹⁹ While rapid urbanization has contributed to reducing poverty through new employment opportunities, 25% of the informal settlers are income poor, and those above the poverty line live in poor conditions and often lack access to basic services. ²⁰

Megatrend 5: Based on the Global Climate Risk Index (CRI) 2020, the Philippines placed fourth out of 181 countries in the period of 1999-2018 with an average CRI score of 17.67.²¹ In 2018 alone, the Philippines ranked second among the most affected country.²² Successive and extreme weather events, e.g., Super Typhoon Yolanda in 2013, Typhoon Ompong in 2018, and Typhoon Ulysess in 2020, have disrupted business operations and placed workers' lives and safety at risk because of the business-as-usual attitude of some companies.

1.3. The need for a human rights-based approach to sustainable development

There are existing international instruments that we can derive inspiration and direction from as we "adapt" and "adopt" in a rapidly changing environment. In addition to the UNGP-BHR, the 2030 Agenda for Sustainable Development, containing the 17 Sustainable Development Goals (SDGs), is of primary relevance.

Agreed upon by 170 countries, including the Philippines, in 2015, the 17 SDGs are a blueprint for transforming the current planet instability, social inequities, and gender inequality into a more peaceful, more equitable, and more prosperous world. More specifically, the SDGs aim at universally ending poverty, protecting all that makes the planet habitable, and ensuring that all people enjoy peace and prosperity at present and in the future.²³ With the SDGs' focus on empowerment and inclusion, there is a strong global affirmation that the human rights of women and men alike are essential to sustainable development because these goals are only achievable when human rights are protected, respected, and fulfilled in all settings, including the context of the business as emphasized in the UNGP-BHR.

Corporations are beginning to look into sustainability efforts as it has been increasingly integrated into reporting requirements. The Philippine Securities and Exchange Commission has mandated all publicly listed companies in 2019 to submit a sustainability report, wherein their efforts to contribute to the attainment of the country's SDGs commitments and to support the Philippine Development Plan 2017-2022 (PDP – *Ambisyon Natin 2040*) should be emphasized.²⁴ Corporations are dependent on people and the environment; thus, it is crucial and 'smart business' to approach sustainability in economic, social, and environmental spheres. Accordingly, if companies are to comply with the SEC regulations, attention to human rights is critical.

2. BUSINESS AND HUMAN RIGHTS

The business impacts on human rights are wide-ranging, multi-dimensional, and context-dependent as these are influenced by the type of industry and the environment in which it operates. Figure 2 illustrates the positive and negative human rights impacts of businesses.



Figure 2: Human rights impacts of business²⁵

In recent decades, corporations have significantly grown in number and have accrued immense economic power and influence. At present, the majority of the world's largest economic entities are corporations with more revenues than the gross domestic product of developing countries and some industrialized economies. ²⁶ Thus, as an integral part of society, corporations are in the best position to support the government's action for sustainable development and contribute to fulfilling fundamental rights. For example, corporations can help reduce structural inequalities by facilitating women's economic empowerment across their value chain, starting with affording equal opportunities and pay to both women and men employees. By recognizing that human rights are central to sustainable business²⁷ and adapting a socially inclusive human rights framework in their operations and policies, companies can contribute to positive changes in society.

2.1. Evolution of corporate social responsibility to the UNGP-BHR Framework

As social institutions, corporations have the responsibility to align their core values with the core values of the society in which they operate. In doing so, they maintain their social license to operate.

Corporate social responsibility (CSR) is a business principle emphasizing that the long-term sustainability of businesses is best served when profitability and growth are attained alongside the development of communities, the protection and sustainability of the environment, and the improvement of people's quality of life.²⁸ CSR is seen as one way of keeping a business' social license to operate. CSR rests on the willingness, or voluntary action, of a company or organization to incorporate ethical, social, and environmental considerations in its decision-making and be accountable for the impacts of its decisions on the different stakeholders. Principles-based CSR encompasses behaving responsibly in its core business activities and supporting society to address social issues, such as gender inequality, poverty, corruption, food and water insecurity, and the climate crisis.



The UNGP-BHR is the first international document of its kind for laying down the principles, practices, and behaviors that should be observed and avoided by all business enterprises—regardless of their size, sector, location, ownership, and structure—and the measures expected from the States concerning business interaction with human rights. While CSR standards and practices align with the UNGP-BHR, mainly its focus on corporations' social responsibility to respect human rights, the UNGP-BHR emphasizes the need for coherent laws to create a conducive environment for business respect for human rights, comprehensive

integration of the human rights framework in the value chain, processes, and policies of businesses, and remediation of human rights abuses in the business setting.

2.2. The UNGP-BHR: "Protect, Respect, and Remedy" Framework

The increasing influence of corporations in local and global communities has intensified calls for a commitment-based discourse on sustainable and socially inclusive business practices. The UNGP-BHR is a response to the need for international standards to address the impacts of the business sector on human rights. It also presents an opportunity to harness the competencies of corporations for the advancement of the protection and respect for human rights of all people toward social inclusion and sustainable development. It introduced and elucidated 31 guiding principles under the "Protect, Respect, and Remedy" Framework, summarized in Figure 3.

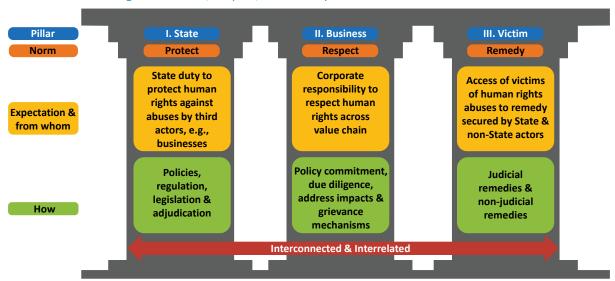


Figure 3: Protect, Respect, and Remedy Framework of the UNGP-BHR²⁹

Pillar 1: State duty to protect human rights

The first pillar is founded on the existing State obligations under international law to respect, protect, and fulfill human rights. Under this pillar, the emphasis is on the State's duty to protect human rights against adverse impacts by third actors, including corporations. To meet this, the State must create an enabling environment for business respect for human rights. The recommendations for this pillar include:³⁰

- Foster commitment to business respect for human rights among corporations within its jurisdiction and abroad;
- Pursue greater legal and policy coherence between its human rights obligations and actions concerning business by implementing the necessary regulatory regime, identifying regulatory gaps, and giving effective guidance to companies;
- Support businesses operating in conflict-affected areas to help them avoid committing human rights abuses; and
- Ensure that government agencies are enforcing the policies and regulations. In the Philippines, such agencies are the Department of Trade and Industry, the Securities and Exchange Commission, the Department of Labor and Employment, the Department of Environment and Natural Resources, and the local government units.

Pillar 2: Corporate responsibility to respect human rights

The second pillar is grounded on the "do-no-harm" principle, which means avoiding causing or exposing people to risks through our actions. It is also based on businesses' role as social institutions, thereby making them societal organs accountable to the whole society. This pillar focuses on the business sector's responsibility to respect human rights in all of its activities in all situations.³¹ The UNGP-BHR identifies three scenarios in which businesses may cause or contribute to adverse impacts (See Figure 4).³²



The business commitment to respect human rights and observe due diligence should be viewed as an ongoing process, recognizing how risks may evolve.³³ The UNGP-BHR provides that businesses must:

- Identify, prevent, mitigate, and address adverse impacts on human rights violations throughout their operations and value chains, which includes their business activities, business relationships, and networks;³⁴
- Know and show that they respect human rights through practicing human rights due diligence, which includes assessing their actual and potential adverse human rights impacts, addressing the findings from the field,³⁵ tracking the progress of these case studies, and public reporting on how they intend to address the issues;³⁶ and
- Consult with external "credible, independent experts, including from Governments, civil society, national human rights institutions, and relevant multi-stakeholder initiatives" to remediate negative impacts.³⁷

Pillar 3: Access of victims to remedy

The UNGP-BHR cannot stand and will not be instructive in addressing the impacts without remediation. Individuals whose rights have been violated by abuses arising from corporate activities have the right to a remedy. The UNGP-BHR underscores both judicial³⁸ and non-judicial mechanisms for redress.³⁹ For this pillar, the UNGP-BHR sets out ways that States and businesses should pursue to ensure access of victims to remedy, which are as follows:

- The State must take appropriate actions to ensure that effective judicial and non-judicial mechanisms and adequate assistance—both legal and practical—for victims of human rights abuses in the corporate setting are in place;⁴⁰
- Non-State-based remediation mechanisms should effectively complement Statebased mechanisms. These can be grievance or complaints mechanisms at the operational level, industry level, and international level; and
- Businesses must provide operational-level grievance mechanisms (OGMs)⁴¹ and, in cases where there is an alleged human rights abuse, enterprises are to cooperate with judicial mechanisms.⁴²

The three pillars are interrelated and complement each other. For instance, the lack of action on the part of the State creates an environment that is not encouraging for business respect for human rights, and effective remediation mechanisms are crucial to both Pillars 1 and 2.



2.3. Alignment of the UNGP-BHR, SDG 2030, and PDP-AmBisyon Natin 2040

A significant aspect of the UNGP-BHR is its linkage with the SDGs and PDP-AmBisyon Natin 2040. By looking at the alignment of the three documents, the government and the business sector will have a more comprehensive appreciation of the interrelatedness of the principles and goals contained therein, which is useful in crafting focused strategies to fulfill their respective human rights obligations and responsibilities. Similarly, the UNGP-BHR provides a guide to CSOs and communities to determine the specific areas they should give attention to when they lobby and engage with the government and the business sector.

Table 1 shows the alignment of the UNGP-BHR, SDGs, and PDP-AmBisyon Natin 2040. The matrix is a simple tool developed by the Multi-Stakeholder BHR Group to help all stakeholders as they apply the guiding principles of the UNGP-BHR in their decisions and activities. While not all interactions presented in the matrix apply to all stakeholders in all contexts, except the government, readers are encouraged to study each interaction and ascertain which areas they can contribute to and those relevant in their particular setting.



3. WHAT IS IN IT FOR US?

The advantages of applying and complying with the guiding principles of the UNGP-BHR are not limited to the rights holders alone. There are clear economic and social benefits to duty-bearers and other stakeholders as well. The most important message is that business respect

Table 1: Alignment of UNGP-BHR, SDG2030, and PDP-AmBisyon Natin 2040

UNGP-BHR	SDG 2030	PDP-AmBisyon Natin 2040
Pillar 1: State duty to protect human rights	SDG 17: Partnerships for the goals	• Lay down the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy
	SDG 1: No poverty SDG 2: Zero hunger SDG 3: Good health and well-being	• "Pagbabago": Inequality-reducing transformation (Accelerate human capital development; and reduce vulnerability of individuals)
	SDG 4: Quality education	• "Pagbabago": Inequality-reducing transformation (Accelerate human capital development; and increase access to economic opportunities)
	SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 10: Reduced inequalities	• "Pagbabago": Inequality-reducing transformation (Expand economic opportunities; increase access to economic opportunities; and reduce vulnerability of individuals)
	SDG 9: Industry, innovation, and infrastructure	 "Patuloy na pag-unlad": Increasing growth potential (Promote tech adoption; and stimulate innovation) "Pagbabago": Inequality-reducing transformation (Accelerate strategic infrastructure development)
	SDG 11: Sustainable cities and communities	• "Pagbabago": Inequality-reducing transformation (Accelerate strategic infrastructure development; ensure safety and build resilience; and ensure ecological integrity, clean and healthy environment)
	SDG 12: Responsible consumption and production	• "Malasakit": Enhancing the social fabric (Ensure people-centered, clean, and efficient governance)
	SDG 16: Peace, justice, and strong institutions	• "Malasakit": Enhancing the social fabric (Ensure people-centered, clean, and efficient governance; pursue swift and fair administration of justice; and ensure peace and security)
Pillar 2: Corporate responsibility to respect human rights	SDG 17: Partnerships for the goals	• Lay down the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy
	SDG 3: Good health and well-being (Target 3.8)	• "Pagbabago": Inequality-reducing transformation (Accelerate human capital development and reduce vulnerability of individuals)
	SDG 5: Gender equality (Targets 5.1, 5.2, 5.3, and 5.5) SDG 10: Reduced inequalities (Targets 10.2 and 10.3)	• "Pagbabago": Inequality-reducing transformation (Expand economic opportunities; increase access to economic opportunities; and reduce vulnerability of individuals)
	SDG 8: Decent work and economic growth (Targets 8.7 and 8.8)	"Pagbabago": Inequality-reducing transformation (Reduce vulnerability of individuals)
	SDG 9: Industry, innovation, and infrastructure (Target 9.2)	 "Pagbabago": Inequality-reducing transformation (Expand economic opportunities) "Patuloy na pag-unlad": Increasing growth potential (Promote tech adoption and stimulate innovation)
	SDG 11: Sustainable cities and communities (Targets 11.4 and 11.7)	 "Malasakit": Enhancing the social fabric (Ensure safety and build resilience) Ensure ecological integrity, clean and healthy environment
	SDG 12: Responsible consumption and production (Targets 12.2, 12.3, 12.4, 12.5, and 12.6)	 "Malasakit": Enhancing the social fabric (Ensure people-centered, clean, and efficient governance; and ensure safety and build resilience) Ensure ecological integrity, clean and healthy environment
DIII 0 4 5	SDG 17: Partnerships for the goals	"Malasakit": Enhancing the social fabric (Ensure people-centered, clean, and efficient governance)
Pillar 3: Access of victims to remedy	SDG 16: Peace, justice, and strong institutions	• "Malasakit": Enhancing the social fabric (Ensure people-centered, clean, and efficient governance; pursue swift and fair administration of justice; and ensure peace and security)

for human rights has significant positive impacts on society. It can lead to mutual respect, trust, and peaceful coexistence between and among stakeholders, which are necessary for constructive engagement and partnership as we collectively work toward sustainable development.

3.1. Government

The Philippine government is a signatory to eight core international human rights instruments, including the International Covenant on Economic, Social, and Cultural Rights, CEDAW, Convention on the Rights of the Child, Convention on the Rights of Persons with Disabilities, among others.⁴⁶ It has also ratified the eight International Labor Organization core conventions set out in the Declaration on Fundamental Principles and Rights at Work.⁴⁷ As such, the government and its agencies have the international obligation to protect, respect, and fulfill human rights by implementing a legal framework concerning human rights principles and investigating, prosecuting, and remedy human rights abuses.

Gains in Closing the Gender Gap in **Economic Participation**

- ⇒ global loss of human capital wealth due to gender inequality is USD 160.2 trillion, or about twice the value of the global GDP⁴³
- ⇒ by advancing women's equality, USD 4.5 trillion annually in 2025 will be added to the collective GDP of the Asia Pacific countries, which is a 12% increase over a business-as-usual GDP trajectory44 \Rightarrow by closing the gender gap in economic participation could add USD **3.2 trillion** to the Asia and the Pacific regional economies⁴⁵

Beyond having an obligation to guarantee human rights in all situations, the government can lead by example in its role as an economic actor. The global trend is moving toward States adopting a range of measures in protecting human rights from the adverse impacts of business and enshrining the principles stated in the UNGP-BHR. Through this, the government can guide businesses in addressing the growing societal expectations for them to recognize their social responsibility in their actions and decisions, especially for the marginalized and vulnerable sectors such as women, children, persons with disabilities, and indigenous peoples. Additionally, in applying the guiding principles of the UNGP-BHR, the government can secure a healthy economic environment for businesses and investors demanding greater transparency in a company's sustainability performance, including in the area of human rights. Likewise, as shown above, the norms and expectations under the UNGP-BHR are critical to achieving the government's SDG commitments and the realization of the PDP-AmBisyon Natin 2040.

3.2. Business sector

The business case is developed to explain the rationale of being responsible from an economic perspective, which benefits companies, even those that primarily focus on growing their businesses. 48 Arguments in favor of CSR typically start with the belief that it is in the business' long-term enlightened self-interest to be socially responsible. This view holds that, if a business is to have a healthy climate in which to function in the future, it must take action at the present that will ensure its long-term viability.⁴⁹

Initiative Spotlight:

Investor Alliance for Human Rights

- ⇒ Launched in 2018 by the Interfaith Center on Corporate Responsibility, with support from Humanity United and Open **Society Foundations**
- ⇒ Provides institutional investors with a platform to increase their capacity and impact in addressing human rights risks of business activities, in line with the **UNGP-BHR**

The importance and acceptance of the human rights lens in business have been increasing globally for the past years, driven by evolving regulations, investor demand, business relationships, and public interest. Companies are beginning to recognize that its environmental, social, and governance policies and practices are inextricably linked to the long-term health of their businesses. Thus, it should strive to improve the well-being of its employees, the community, and the planet. In turn, a society with strong human rights allows the free flow of information, investment, and entrepreneurial innovation.

Financial Costs of Neglecting Human Rights⁵⁰

⇒ 1998 Mitsubishi lawsuit (sexual harassment, USA): USD\$34 million
⇒ 2001 DuPont lawsuit (pollution, USA): USD\$235 million, medical expenses of over 70,000 people
⇒ 2003 Nike lawsuit (Kasky v. Nike, denial of labor abuses): USD\$1.5 million
⇒ 2013 Shell/BASF lawsuit (land & underground water contamination, Brazil): USD\$316 million

The benefits for the business respect of human rights in their operations are as follows:52

Human Resource Case	increased employee productivitytalent attraction and retentionimproved worker relations
Reputational Case	ensure license to operatebetter manage and mitigate reputational risksprevent litigation
Operational Case	more secured supply chainsanticipate new regulationbusiness continuity due to lower risks
5' ' 10	 meet investor expectations or requirements reduced cost of capital customer acquisition and loyalty

Moreover, in today's highly competitive business environment, it is not enough that businesses produce quality products at an affordable price. Comparative advantage is slowly shifting as more consumers and stakeholders demand products that are made under gender-sensitive and safe working conditions, use biodegradable materials without causing harm to the environment, to name a few. Given these trends, a business demonstrating its commitment to respecting human rights will have significant opportunities to differentiate itself from its competitors, gain higher consumer trust levels, and enhance its engagement with its stakeholders. It will produce short-term benefits and contribute to the long-term sustainability of businesses.

Benefits of Respecting Human Rights Evidence from the Better Work program of the ILO and the International Finance Corporation⁵³ shows that:

⇒ in participating factories in Vietnam with comfortable and trusting work environment, profitability is 7.6% higher, workers reach daily production targets nearly 40 minutes faster, and the revenue-cost ratio increased by 25% ⇒ in factories in Indonesia, training line supervisors, especially women, has shown to result in a 22% increase in productivity

3.3. CSOs

The vibrant civil society in the Philippines serves as a bridge between the communities and other stakeholders, particularly the government, the business sector, and international organizations. Rather than perceiving CSOs as a deterrent or, in some cases, a nuisance, these

organizations are and should be viewed as essential partners for sustainable development. With that in mind, CSOs then have the space to forge partnerships between the government, the business sector, and communities for joint actions toward common development goals.

CSOs can utilize the UNGP-BHR as a framework in developing their business and human rights agenda and advocacy campaign work to guide them in their engagement and partnerships with relevant stakeholders. It provides CSOs with information on the baseline expectations for the protection and respect of human rights in the business setting, which they can refer to when documenting, monitoring, and reporting business human rights impacts. Additionally, a better-framed engagement can aid critical reflection and decision-making of the stakeholders and help maintain an objective perspective, especially in documenting positive business impacts that are often overshadowed by the sheer number of reported adverse effects of businesses on human rights and communities.

Initiative Spotlight ⇒ <u>Business and Human Rights</u> <u>National Action</u> Plan Civil

Society Platform (Japan)

→ CSO Technical Working
Group for NAP-BHR
(Philippines), spearheaded by
the CHR, PAHRA, the National
Economic and Development
Authority, and the National
Anti-Poverty Commission

3.4. Communities

Business and economic development should not have to come at the expense of the rights of individuals and communities. However, there are instances wherein negotiation processes between companies and communities are made to be vague and may sometimes involve deliberate deception. It is crucial that communities know their rights and become aware of what businesses are allowed and not allowed to do.

With the assistance of CSOs, peoples' organizations, and other stakeholders and guided by the UNGP-BHR and other related laws, communities affected by businesses will be educated on what they need to look out for during negotiations, how to assess business and investment propositions, and how they may prevent risks, abuses, and violations while maximizing the benefits of projects for the sustainable development of the community and the people. Moreover, with Pillar 3, making judicial and non-judicial remediation mechanisms for abuses and violations available and accessible is crucial. It will reduce the barriers to access to justice, e.g., the costs of filing a lawsuit and the lack of legal representation, of communities and vulnerable groups like the women and the indigenous people.

4. HOW DO WE DO IT?

4.1. Establish inclusive human rights governance

Enabling policy environment and guidelines for business respect for human rights

In fulfilling the State duty to protect human rights, the UNGP-BHR lays down that States must create an enabling environment that will guarantee and encourage business respect for human rights. Through the regulatory and policy functions, the government must revisit existing related laws and implement coherent and effective policies, regulations, legislation, and adjudication, and set clear guidelines to businesses on respecting human rights and communicating their actions to address their human rights impacts.⁵⁴

Toward this end, the UN Working Group on Business and Human Rights (UNWG) strongly encourages all States to develop, enact, and update a national action plan on business and human rights (NAP-BHR). The UNWG has produced the "Guidance on NAPs" in 2016 to support the States in this endeavor. In the said guidance, the UNWG identified four essential criteria for an effective NAP-BHR. It should be grounded on the guiding principles of the UNGP-BHR, context-specific and addresses the actual and potential business-related human rights abuses in the country, developed in inclusive and transparent processes, and regularly be reviewed and updated.55 The UNGP-BHR also puts strong attention to the heightened risks of sexual and gender-based violence in the business setting. To meet this, the State must refer to other international human rights instruments, such as the Universal Declaration of Human Rights (UDHR), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), in developing the NAP-BHR.

Policy commitment of businesses to respect human rights

In meeting the corporate responsibility to respect human rights, businesses are expected to express their commitment to meet this responsibility through a statement of policy or a policy commitment. The policy commitment explains how a business enterprise understands its responsibility to respect, specifies the expectations and direction for those who are supposed to adhere to or implement the policy, and ways or strategies it intends to pursue to incorporate the respect for human rights in its policies, processes, and value chains.

Moreover, in coherence with the UNGP-BHR's emphasis on the issues of gender, vulnerability, and marginalization and as a critical element of their commitment to respect human rights, businesses have a responsibility for gender equality and women's empowerment. To aid businesses, the Women's Empowerment Principles (WEPs) of the UN Women and the UN Global Compact is a useful framework in tackling gender issues and improving business performance on gender equality through the integration of these principles into their strategies and policies.

Tools for developing a NAP-BHR

- ⇒ <u>Guidance on National</u>
 <u>Action Plans</u>, UN Working
 Group on Business and
 Human Rights
- ⇒ National Action Plans on Business and Human Rights Toolkit, Danish Institute for Human Rights and the International Corporate Accountability Roundtable
- ⇒ <u>Women's Empowerment</u> <u>Principles</u>, UN Women and UN Global Compact

Initiative Spotlight

- ⇒ The Adidas Group announced in 2016 that it had published a new policy aimed at protecting human rights defenders and setting its expectation that its business partners will follow the same policy.
- The Lopez-led Energy
 Development Corporation,
 a top-performing Philippine
 company in human rights
 disclosure, affirmed that its
 commitment to uphold and
 protect human rights in all
 levels of its organization is a
 key to fostering business
 sustainability.

Below are the guidance points for a business' policy commitment outlined in the UNGP-BHR:⁵⁶

- Approved at the most senior level of management;
- Informed by relevant internal and/or external expertise;
- Stipulates its human rights expectations of personnel, business partners, and other parties linked to its operations, products, or services;
- Publicly available and communicated internally and externally; and

 Reflected in operational policies and procedures necessary for the respect of human rights throughout the business.

4.2. Embed the practice of comprehensive human rights due diligence

The practice of human rights due diligence is based on the principle of "knowing and showing." Knowing means that a business is aware of the impacts and risks of its operations and activities on people and communities' rights. Showing means that with the awareness of businesses of their impacts, they publicly communicate and report the actions or policies they intend to do to prevent or mitigate adverse human rights impacts and to remedy in case of human rights abuse.

The practice of human rights due diligence helps businesses specify the aspects of human rights they need to focus on and determine the differentiated needs of the vulnerable sectors affected by their activities. For example, suppose a business learns that fewer women hold leadership positions or female employees do not receive the same wage for the same work compared to their male counterparts while assessing its impacts. In such cases, it can pursue gender-transformative policies to improve its performance on gender equality. By embedding human rights due diligence throughout their business operation, corporations are reminded of their responsibility and can guide them in fulfilling it.

Figure 5: Human rights due diligence



Human rights due diligence is an on-going process that can be broken down into four stages, as shown in Figure 5. Actively tracking their performance is crucial for businesses to show their compliance. Companies can do this through audits, using gender-disaggregated data where relevant. Methods for human rights due diligence include human rights impact assessment (HRIA) and value chain mapping. Alternatively, businesses can also refer to community-based HRIA to know the concerns of affected communities or to confirm their findings.

Human rights impact assessment

An HRIA allows a company to identify potential and actual human rights impacts across its value chain. Similar to Social and Environmental Impact Assessment (SEIA), the mitigation hierarchy is prescribed as a) avoid adverse impacts, b) minimize adverse impact, c) restore or restitute, and d) compensate loss or damage. In most cases, this is combined with the SEIA required for all projects by government and funding institutions. However, combining both assessments tends to dilute the importance of the HRIA process. A separate process is better as it is more focused on human rights. For companies to fulfill their responsibility for gender equality, businesses should

Tools for HRIA

- → Human Rights Impact

 Assessment Guidance and &

 Toolbox, The Danish Institute for

 Human Rights
- ⇒ Community-Based Human
 Rights Impact Assessment: The
 Getting It Right Tool, International
 Federation of Human Rights, Oxfam
 America, and Rights & Democracy
- ⇒ <u>Women's Empowerment</u>

 <u>Principles Gender Gap Analysis</u>

 <u>Tool (WEPs Tool)</u>, UN Women and

 UN Global Compact

incorporate a gender perspective in conducting an HRIA by using gender assessment tools, such as the WEPs Gender Gap Analysis Tool.

A corporation's performance in preventing, mitigating, or addressing human rights abuses is critical. For that reason, any results of the HRIA must be investigated and acted upon, related actions taken in response to the findings must be monitored and communicated to the concerned victim for closure. The UNGP-BHR emphasizes that a company may be involved with adverse human rights through both actions and omissions.

Community-based human rights impact assessments

While impact assessments are commonly carried out by governments and companies, community-based HRIA with a bottom-up approach is equally valuable. Community-based HRIA is a tool for the empowerment of affected local communities, which can amplify their voices and reinforce their strategies in claiming their rights and exacting accountability for violations of their human rights. Through community-based HRIA, affected communities will have better documentation of how they are impacted by a corporation operating in their locality with the framework used by the government and companies. It allows communities to engage with the public and the private actors more effectively and on an equal footing.

Examples of adverse human rights impacts of businesses⁵⁷

- ⇒ Women employees who are paid less for the same work as their male counterparts may be impacted in their **rights to freedom from discrimination and equal treatment**
- ⇒ Companies that cause water or air pollution to the area where they operate may impact the people and community's **right to health and right to a safe, clean, and healthy environment**
- ⇒ Dishonest use or loss of private information by a company may impact its consumers' right to privacy

Value chain mapping

Value chain mapping (See Figure 6 as example) is a tool that can help a business in respecting human rights by building an understanding of the full scope of impacts, prioritizing the most severe human rights issues, and visualizing other actors that may have a role in exercising leverage to address the problems that may arise. See Value chain mapping is useful for businesses to proactively ascertain actual and potential impacts across their value chains—including its business relationships, thereby allowing them to avoid causing or contributing to an impact, especially a negative one.

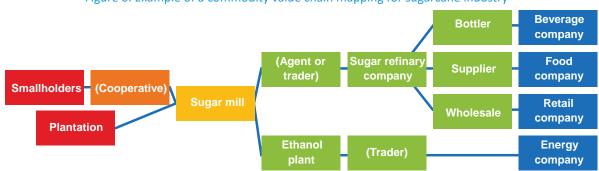


Figure 6: Example of a commodity value chain mapping for sugarcane industry⁵⁹

It maps each step, process, and entity in a business' value chain and identifies where people's human rights can be affected. ⁶⁰ In practice, companies conduct value chain mapping by first drawing a full map of the risks to people and communities across their operations and value chain. For instance, in Heineken's mapping, it assessed human rights risks from brand promoters in outlets serving its beers, down to smallholder farmers who are often several steps removed from Heineken's operations. ⁶¹

4.3. Ensure effective and gender-transformative remediation mechanisms

The UNGP-BHR describes both judicial and non-judicial remediation mechanisms. Thus, on top of the State-based judicial and non-judicial mechanisms, companies must develop OGMs.

Role of the State to improve accountability

As the primary duty-bearer in the protection, respect, and fulfillment of human rights, the State has an obligation to improve the accountability and access to remedies of victims of human rights abuse in a corporate setting through State-based mechanisms. This State obligation is highlighted in the Accountability and Remedy Project of the UN Office of the High Commissioner on Human Rights (OHCHR). Through a resolution, the UN OHCHR provided general observations and recommendations ons the role of State-based non-judicial mechanisms in enhancing accountability and access to remedy, which include a set of policy objectives supported by a series of elements to demonstrate the ways by which States can work toward meeting the objectives.⁶²

Operational-level grievance mechanisms

Many companies already have mechanisms for grievances and complaints both for their employees and consumers, including trade unions, whistle-blower policies, reporting mechanisms for sexual harassment, employee conflict management, safety incident reporting, and complaints procedure. The UNGP-BHR expects businesses to establish operational-level grievance mechanisms.

Businesses must map and assess existing OGMs to determine where gaps may exist and address these to meet the six criteria identified by the UN Human Rights Council in 2008 (See Figure 7). It must also be proportionate to the scale of operation, culturally-appropriate, and safe for the reporting party. In case a company does not have an OGM, it must put in place such mechanisms consistent with the criteria. It includes establishing a committee on decorum and investigation responsible for receiving and investigating sexual harassment and gender-based violence in the workplace.

Figure 7: Effectiveness Criteria for Non-Judicial Mechanisms

Criteria 1	Legitimacy
Criteria 2	Accessibility
Criteria 3	Predictability
Criteria 4	Equitability
Criteria 5	Rights-compatibility
Criteria 6	Transparency

It is crucial to keep in mind that these three steps of applying and complying with the UNGP-BHR are interrelated and complement each other (See Figure 8). Human rights governance is the overarching function as it lays down the policies a business will implement in respect of human rights and outlines the actions it will take in acting with due diligence and remedy victims in case of abuse. This linkage means that the absence of one element will render the other aspects ineffective.

Embed human rights due diligence of businesses

Communicate and report on performance (Guiding principle 21)

Track and monitor performance on the findings (Guiding principle 20)

Establish inclusive human rights governance (enabling policy environment, policy commitment of businesses)

Ensure grievance & remediation to prevent or mitigate potential risks or address human rights abuses/violations (Guiding principle 19)

Track and monitor performance on the findings (Guiding principle 20)

Figure 8: Interconnection of the three Es to comply with the UNGP-BHR

5. ACCOUNTABILITY AND TRANSPARENCY

Monitoring and reporting ensure transparency and accountability. Several Philippine laws pertinent to monitoring and reporting business impacts on human rights, communities, and the environment are already in place. Thus, the need to comply with the human rights standards under the UNGP-BHR is not new, especially for corporations operating in the country. Nonetheless, work remains in incorporating the human rights language in the reporting requirements and processes of corporations to ensure comprehensive coverage of business and human rights-related matters.

5.1. Government monitoring

The 1987 Philippine Constitution contains provisions that recognize and accept the State duty to protect against human rights abuses by third-parties, including the business sector. Related provisions are as follows:

- Article II declares that State policies should guarantee
 the respect of human rights, ensure the equality of
 women and men, protect the rights to health and the
 environment, the family, youth, and workers' rights;
- Article II, Section 20 recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments; and
- Article XIII provides that to reduce social inequalities and inequities, the highest priority should be given to social justice and human rights in relation to labor, land and natural resources reform, housing, health, women empowerment, and people's organizations.

Examples of human rights laws in the Philippines

- \Rightarrow Labor Code
- ⇒ Indigenous Peoples Rights Act
- ⇒ Data Privacy Act
- ⇒ Consumer Act
- ⇒ Magna Carta of Women
- ⇒ Magna Carta for Disabled Persons
- ⇒ Anti-Sexual Harassment Law
- ⇒ Women in Development and Nation Building Act
- ⇒ Safe Spaces Act
- ⇒ Expanded Anti-Trafficking in Persons Act
- \Rightarrow R.A. 9231 on child rights

Specific domestic laws and guidelines on monitoring and reporting business compliance with human rights and sustainability-related concerns include the following:

- Memorandum No. 4-2019: Sustainability Reporting Guidelines for Publicly Listed Companies of the Philippine Securities and Exchange Commission;
- Circular No. 1085, Series of 2020: Sustainable Finance Framework of the Bangko Sentral ng Pilipinas;
- Labor Law Compliance System of the Department of Labor and Employment;
- Employer Delinquency Monitoring Department under the Warrants of Distraint, Levy, and Garnish Program of the Social Security System;
- Environmental Compliance Monitoring and Impact Monitoring Report of the Department of Environment and Natural Resources;
- Monitoring provisions under Executive Order 79 or the Institutionalizing and Implementing Reforms in the Philippine Mining Sector, providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources; and the
- Mining Act (R.A. 7942) obliging mining companies to allocate funds for the multipartite monitoring committee and corporate social responsibility programs.

5.2. Corporate reporting

Corporate reporting on human rights performance is a crucial part of human rights due diligence. It will help record, analyze, and install corrective actions in a company. It requires full transparency and human rights disclosure from the businesses and should integrate a differentiated approach to take into account the diverse needs of and the disproportionate impacts on women, children, indigenous peoples, and other vulnerable groups.

Corporations can integrate their human rights performance report in their annual reports, sustainability reports, CSR reports, or human rights reports based on stakeholders' interests. Recently, this has been asked by communities, governments, and investors. In reporting human rights performance, it is recommended to highlight the salient issues, or issues where people are at risk of the most severe negative impacts through business activities or relationships. The focus of the report is on the "risk to people"—not to business—because when a company is at risk from people issues, it will hurt business sustainability.

Tools for Human Rights Monitoring & Reporting

- ⇒ ManualonHumanRightsMonitoring,UNOHCHR:Manualprovidingconceptualandmethodological framework to guidehuman rights monitoring process
- ⇒ UNGP Reporting Framework, Shift & Mazars LLP: Put forward seven reporting principles that could outline and assess a company's approach to implementing the UNGP Framework
- ⇒ Global Reporting Initiative, OECD, ISO, UN Environment Programme, UN Global Compact: Identified three indicators to assess the effectiveness of due diligence measures of corporations
- → Women's Empowerment
 Principle No. 7 Measurement and
 Reporting, UN Women and UN
 Global Compact

5.3. Alternative reporting by the CSOs

Like many others, CSOs can document, monitor, and report cases of business impacts on human rights. For example, a non-governmental organization working with affected communities can initiate their own documentation activities while paralegal and legal advice organizations can provide free legal support and representation for affected individuals and communities. CSO reporting is useful for generating a second alternative opinion and non-business or non-governmental source of information. It can increase transparency and accountability, enhance monitoring and evaluation tools, and improve the compliance of relevant stakeholders with laws and standards. It can also foster meaningful dialogue and

engagement between the duty-bearers, rights-holders, and other stakeholders. Moreover, CSO reporting on human rights violations and abuses has grown in strength and importance at the international level, especially at the UN, where governments are reviewed for their policies and actions on human rights. In turn, decisions and recommendations at the international level are cascaded into national actions and policies.

6. CALL TO ACTION



The Multi-Stakeholder BHR Group stresses the importance of applying and complying with the international standards and norms on human rights protection and respect in the country. The UNGP-BHR offers us the wisdom and clarity on how to address human rights issues, improve accountability, and guarantee remedy to human rights abuse victims. It also presents us with the opportunity to develop a platform for collaboration toward deepening the country's discourse on business and human rights and for building a more just, inclusive, and sustainable future where the respect for the rights of every human being is at heart.

This Guidance Document is a step forward to achieving the above, but more remains to be done. The government, the business sector, CSOs, the academe, and communities should jointly pursue:

- the adoption and implementation of the UNGP-BHR framework;
- inclusive and participatory formulation of the Philippine NAP-BHR;
- review of existing laws, business policies, and practices to determine and address gaps as well as documentation of successful business respect for human rights initiatives;
- capacity building programs for relevant government agencies to enhance their appreciation of the human rights framework, particularly in the business setting, and ensure its translation to coherent policies and guidelines;
- knowledge transfer activities with the business sector on assessing their practices and human rights impacts and on integrating the human rights framework in their value chains, processes, policies, and cultures toward the creation of their policy commitments and OGMs;
- empowerment programs for communities and the vulnerable sectors to help them better understand their rights, the mechanisms, and options they have in dealing with investors, businesses, and development projects; and
- multi-stakeholder platforms and partnerships to ensure the coherence and harmony of all stakeholders' policies and actions for business and human rights.

ANNEX

Additional Resources

- ⇒ Doing Business the Right Way: NAP-BHR (Video), CHR & UNDP, 2016
- ⇒ How to protect privacy and free expression as a tech SME in the Philippines, Global Partners Digital & FMA, 2019
- → In Defense of Land Rights: A Monitoring Report on Land Conflicts in Six Asian Countries, ANGOC, 2019
- ⇒ Protecting the digital rights of citizens: A briefer on the current Philippine digital environment, FMA, 2019
- → The business case for digital rights: A briefer on the current Philippine digital environment,
 FMA, 2019
- ⇒ Towards a Philippine National Action Plan for the UNGP-BHR, ANGOC, 2020
- ⇒ Upholding Land Rights amidst the Land Rush, ANGOC, 2018
- ⇒ 2017-2022 Philippine Development Plan AmBisyon Natin 2040, NEDA
- ⇒ <u>Human Rights Disclosure in ASEAN</u>, ASEAN CSR Network, Institute of Human Rights & Peace Studies, Mahidol University & Article 30, 2019
- ⇒ Collevecchio Declaration on Financial Institutions and Sustainability
- ⇒ Corporate Accountability for Human Rights Abuses: A Guide for Victims and NGOs on Recourse Mechanisms, 3rd Edition, International Federation for Human Rights, 2016
- ⇒ Improving Accountability and Access to Remedy for Victims of Business-related Human Rights Abuse, A/HRC/32/19, UNHRC, 2016
- ⇒ SDG Human Rights Data Explorer, The Danish Institute of Human Rights, 2020
- ⇒ <u>SDGs & Human Rights Toolbox</u>, Global Alliance of National Human Rights Institutions, 2020
- ⇒ Sustainable Development the 17 Goals, UN
- ⇒ Universal Declaration of Human Rights, General Assembly Resolution 217A of 1948, UN

CITATIONS

- ¹ UN Human Rights Council, Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises Gender dimensions of the Guiding Principles on Business and Human Rights, 23 May 2019, A/HRC/41/43, p. 8. https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/41/43
- ² UN Human Rights Council, Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, 21 March 2011, A/HRC/17/31, at Annex.
- ³ Bennett, N. & Lemoine, G.J. (2014). What VUCA really means for you. *Harvard Business Review,* January-February 2014 issue. https://hbr.org/2014/01/what-vuca-really-means-for-you
- ⁴ World Economic Forum. (2020, January 15). The Global Risks Report 2020, 15th Edition. Switzerland: WEF, Marsh & McLennan, & Zurich Insurance Group. https://www.weforum.org/reports/the-global-risks-report-2020
- ⁵ Manohar, S. (2019). Megatrends: The forces shaping our future. *BlackRock, Inc.*
- https://www.blackrock.com/uk/intermediaries/literature/whitepaper/megatrend-en-emea-whitepaper.pdf
- ⁶ Fisk, P. (2019, December 3). "Megatrends 2020-2030: What they mean for you and your business, and how to seize the new opportunities for innovation and growth," Megatrend 1. https://www.thegeniusworks.com/2019/12/mega-trends-with-mega-impacts-embracing-the-forces-of-change-to-seize-the-best-future-opportunities/ ⁷ *Ibid.*, Megatrend 5.
- ⁸ Lambrou, Y. & Piana, G. (2006). Gender: The missing component of the response to climate change. *Food and Agriculture Organization of the United Nations*. https://www.ipcc.ch/apps/njlite/ar5wg2/njlite_download2.php?id=10627

- ⁹ National Intelligence Council, US. (2012, December). Global trends 2030: Alternative worlds. https://globaltrends2030.files.wordpress.com/2012/11/global-trends-2030-november2012.pdf
- ¹⁰ Kemp, S. (2019). Digital 2019: The Philippines. We Are Social and Hootsuite. https://datareportal.com/library
- ¹¹ Chang, J.-H. & Hyunh, P. (2016). ASEAN in transformation: The future of jobs at risk of automation, Working paper No. 9. *International Labour Organization*. https://www.ilo.org/actemp/publications/WCMS 579554/lang--en/index.htm
- ¹² World Bank. (2020). Philippines digital economy report 2020: A better normal under COVID-19 digitalizing the Philippine economy now. *International Bank for Reconstruction and Development / The World Bank*.
- https://openknowledge.worldbank.org/handle/10986/34606
- ¹³ Philippine Statistics Authority (PSA). (2016, August 6). Highlights of the 2010 census-based population projections. https://psa.gov.ph/content/highlights-2010-census-based-population-projections ¹⁴ *Ibid*.
- ¹⁵ National Economic and Development Authority (NEDA), Philippines. (2019). Determinants of female labor force participation in the Philippines. https://www.neda.gov.ph/new-neda-study-identifies-reasons-behind-filipino-womens-low-labor-participation-rate/
- ¹⁶ Ibid.
- ¹⁷ NEDA, Philippines. (2017). Philippine Development Plan 2017-2022. http://pdp.neda.gov.ph/
- ¹⁸ World Bank. (2017, May). Promoting inclusive growth by creating opportunities for the urban poor. *Philippines Urbanization Review Policy Notes.* http://documents.worldbank.org/curated/en/904471495808486974/pdf/115310-PN-P156898-PUBLIC-Policy-Notes-Inclusive-Growth-FINAL.pdf ¹⁹ *Ibid.*
- ²⁰ PSA. (2012). FIES 2012, as cited in World Bank. (2017, May). Promoting inclusive growth by creating opportunities for the urban poor. http://documents.worldbank.org/curated/en/904471495808486974/pdf/115310-PN-P156898-PUBLIC-Policy-Notes-Inclusive-Growth-FINAL.pdf
- ²¹ Eckstein, D., Künzel, V., Schäfer, L. & Winges, M. (2019). Global Climate Risk Index 2020. *Germanwatch*. https://germanwatch.org/en/17307
 ²² *Ibid*.
- ²³ Morton, S., Pencheon, D. & Squires, N. (2017, November 4). Sustainable development goals, and their implementation: a national global framework for health, development and equity needs a systems approach at every level. *British Medical Bulletin*, Vol. 124, Issue 1. https://doi.org/10.1093/bmb/ldx031
- ²⁴ Securities and Exchange Commission, Philippine. (2019, February 18). Memorandum Circular No. 04 Series of 2019 Sustainability Reporting Guidelines for Publicly-Listed Companies.
- https://www.sec.gov.ph/mc-2019/mc-no-04-s-2019-sustainability-reporting-guidelines-for-publicly-listed-companies/. ²⁵ World Business Council for Sustainable Development (WBCSD). (2019). CEO guide to human rights.
- https://www.wbcsd.org/Programs/People/Social-Impact/Human-Rights/Resources/CEO-Guide-to-Human-Rights ²⁶ Myers, J. (2016, October 19). "How do the world's biggest companies compare to the biggest economies?" *WEF*. https://www.weforum.org/agenda/2016/10/corporations-not-countries-dominate-the-list-of-the-world-s-biggest-economic-entities/; Global Justice Now. (2018, October 17). "Sixty-nine of the richest 100 entities on the planet are corporations, not governments, figures show." Retrieved from https://www.globaljustice.org.uk/news/2018/oct/17/69-richest-100-entities-planet-are-corporations-not-governments-figures-show.
- ²⁷ Freeman, B., Lazala, M. & Ineichen, M. (2019, January 16). Why businesses are nothing without strong human rights. *World Economic Forum.* https://www.weforum.org/agenda/2019/01/5-ways-businesses-can-back-up-human-rights-defenders/
- ²⁸ Employers Confederation of the Philippines, Federation of Free Workers, & Danish Trade Union Council for International Development Cooperation. (2018, May). Promotion of a principles-based, inclusive and business sustainable corporate social responsibility (CSR) approach in the Philippines. https://ecop.org.ph/project/promotion-of-a-principle-based-inclusive-and-business-sustainable-corporate-social-responsibility-csr-approach-in-the-philippines/
- ²⁹ Faracik, B. (2017, February 2). Implementation of the UN Guiding Principles on Business and Human Rights. Belgium: Trans European Policy Studies Association & the European Parliament.
- https://www.europarl.europa.eu/RegData/etudes/STUD/2017/578031/EXPO_STU(2017)578031_EN.pdf
- ³⁰ UN Human Rights Council, Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, 21 March 2011, A/HRC/17/31, paras. 4-10. https://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31_AEV.pdf
- ³¹ *Ibid.,* para. 14.
- ³² Vermijs, D. & Davis, R. (2016). Doing business with respect to human rights: A guidance tool for companies. *Shift, Global Compact Network Netherlands, Oxfam, and the Government of Netherlands.*
- https://shiftproject.org/resource/doing-business-with-respect-for-human-rights/
- ³³ UN Human Rights Council, Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, 21 March 2011, A/HRC/17/31, para. 17. https://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31 AEV.pdf
- ³⁴ *Ibid.*, para. 11.
- ³⁵ *Ibid.,* para. 17.

```
<sup>36</sup> Ibid., para. 21.
```

- ⁴⁰ *Ibid.*, para. 25.
- 41 Ibid., para. 29
- 42 Ibid., para. 22.
- ⁴³ Wodon, Q. & de la Briere, B. (2018, May). Unrealized potential: The high cost of gender inequality in earning. *World Bank*. https://www.globalpartnership.org/sites/default/files/2018-05-the-cost-of-gender-inequality.pdf
- ⁴⁴ McKinsey Global Institute. (2018). The power of parity: Advancing women's equality in Asia Pacific.

https://www.mckinsey.com/featured-insights/gender-equality/the-power-of-parity-advancing-womens-equality-in-asia-pacific

- ⁴⁵ International Labour Organization (ILO). (2017). World Employment and Social Outlook (WESO): Trends for Women. https://www.refworld.org/pdfid/594236824.pdf
- ⁴⁶ Commission on Human Rights, Philippines. (2018). Human rights advisory on the reporting of the Philippine government to human rights treaty bodies. http://chr.gov.ph/reporting-of-the-philippine-government-to-human-rights-treaty-bodies-chra2018-007/
- ⁴⁷ ILO. (n.d.) Ratification of conventions: Philippines.
- $https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102970$
- ⁴⁸ Tomintz, H.E.A. (2013, November). Shared value in the Philippines: A study on the efforts of the league of corporate funds. Masteral Thesis in International Business and Law, Management Center Innsbruck, Austria.
- ⁴⁹ Carroll, A. & Shabana, K. (2010). The Business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, 12. DOI:10.1111/j.1468-2370.2009.00275.x
- ⁵⁰ Bağlayan, B., Landau, I., McVey, M. & Wodajo, K. (2018. December). Good business: The economic case for protecting human rights. https://corporatejustice.org/2018_good-business-report.pdf
- ⁵¹ WBCSD. (2019). CEO guide to human rights. https://www.wbcsd.org/Programs/People/Social-Impact/Human-Rights/Resources/CEO-Guide-to-Human-Rights
 ⁵² Ibid.
- ⁵³ Bağlayan, B., Landau, I., McVey, M. & Wodajo, K. (2018. December). Good business: The economic case for protecting human rights. https://corporatejustice.org/2018_good-business-report.pdf; ILO & International Finance Corporation (IFC). (2016). Progress and potental: How Better Work is improving garment workers' lives and boosting factory competitiveness: A summary of an independent assessment of the Better Work programme. https://betterwork.org/wp-content/uploads/2016/09/BW-Progress-and-Potential_Web-final.pdf; ILO & IFC. (2016). Highlights Progress and potential: Findings from an independent impact assessment. https://betterwork.org/wp-content/uploads/2016/09/BW-ProgressAndPotential-Highlights.pdf
- ⁵⁴ Götzmann, N. & O'Brien, C.M. (2013, November). Business and human rights guidance, A guidebook for national human rights institutions. *International Coordinating Committee of National Human Rights Institutions & the Danish Institute for Human Rights*. https://www.humanrights.dk/publications/business-human-rights-guidebook-national-human-rights-institutions
- ⁵⁵ UN Working Group on Business and Human Rights. (2016, November). Guidance on national action plans on business and human rights. https://www.ohchr.org/Documents/Issues/Business/UNWG NAPGuidance.pdf
- ⁵⁶ UN Human Rights Council, Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, 21 March 2011, A/HRC/17/31, at 16. https://www.ohchr.org/Documents/Issues/Business/A-HRC-17-31_AEV.pdf
- ⁵⁷ Vermijs, D. & Davis, R. (2016). Doing business with respect to human rights: A guidance tool for companies. *Shift, Global Compact Network Netherlands, Oxfam, and the Government of Netherlands.* https://shiftproject.org/resource/doing-business-with-respect-for-human-rights/
- ⁵⁸ Vermijs, D. (2019, March). How value chain mapping is helping companies respect human rights. *Shift*. https://shiftproject.org/how-value-chain-mapping-is-helping-companies-respect-human-rights/
- ⁵⁹ ILO. (2015, December 15). How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business, p. 35. Retrieved from

 $https://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_27555/lang--en/index.htm \ ^{60}\ \textit{Ibid}.$

- 61 Ibid.
- ⁶² United Nations Office of the High Commissioner on Human Rights. (n.d.). Resolution on improving accountability and access to remedy, https://www.ohchr.org/EN/Issues/Business/Pages/OHCHRaccountabilityandremedyproject.aspx.
- ⁶³ Vermijs, D. & Davis, R. (2016). Doing business with respect to human rights: A guidance tool for companies. *Shift, Global Compact Network Netherlands, Oxfam, and the Government of Netherlands*. https://shiftproject.org/resource/doing-business-with-respect-for-human-rights/

³⁷ *Ibid.,* para. 22.

³⁸ *Ibid.*, para. 26.

³⁹ *Ibid.*, paras. 27-28.

Multi-Stakeholder Business and Human Rights Group









