

# Overview of the Analysis on Corporations and Human Rights in CSR Reports

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1. In Japan, more than 1,000 corporations publish reports with the words 'environment', 'environment and society, or 'CSR' etc. in their titles.
2. BLHRRRI collected and analyzed such reports of fiscal 2005 version (of 521 corporations), fiscal 2006 version (593 corporations) and fiscal 2009 version (305 corporations). As for fiscal 2009 version reports, BLHRRRI collected mainly CSR reports aiming to analyze good practices.

Below is a brief report of positive changes, examples of good practices seen in fiscal 2009 reports and problems that should be solved.

# Positive changes

## (1) Changes of report titles

Reports with the word CSR and the like:

Fiscal 2005 reports: 77

Fiscal 2006 reports: 163

Fiscal 2009 reports: 246

CSR reports had higher tendency of stating human rights information.

# Positive changes

## **(2) Referring human rights in top statements**

Fiscal 2005 reports: 36

Fiscal 2006 reports: 47

Fiscal 2009 reports: 54 (only among reports which contained good practices)

# Positive changes

## **(3) Corporate policy and code of conduct respecting human rights in explicit manner**

Fiscal 2005 reports: 241

Fiscal 2006 reports: 245

# Positive changes

## **(4) Procurement standards clearly mentioning respect for human rights**

Fiscal 2005 reports: 32 (2 reports mentioned follow-up activities like research, etc.)

Fiscal 2006 reports: 55 (19 reports mentioned follow-up activities like research, etc.)

Fiscal 2009 reports: 43 (only among reports with good practices)

# Positive changes

## **(5) Holding multi-stakeholder meetings**

Fiscal 2005 reports: 36 (69 if adding stakeholder dialogues)

Fiscal 2006 reports: 84 (118 if adding stakeholder dialogues but only 23 among them refer to human rights)

# Positive changes

(6) Reports of corporations taking part in associations for promoting *dowa* and human rights issues in Tokyo and Osaka. (fiscal 2006 reports of 124 corporations)

Positive attitude could be seen in the following three points but not in other points.

- Providing human rights education/awareness-raising programs (55.6% relative to the average 26.1% of all analyzed reports)
- Existence of organization dealing with human rights issues at corporate level (29.0% relative to the average 12.1 %)
- Consultancy system for human rights issues (40.3% relative to the average 29.0 %)



# **Examples of good practices**

**(from CSR reports of fiscal 2009)**

## **Management**

# Examples of good practices

## (1) Top management leadership

**Asics Corporation** - “We recognize human rights and labor issues at oversea production factories as one of the important issues ..... We will continue to check them in cooperation with NPOs working on labor issues like Fair Labor Association (FLA)”.

# Examples of good practices

## (2) Human rights policy

**Osaka Gas Co., Ltd.** – Joined Global Compact in 2007. Revised the 'Osaka Gas Group Corporate Code of Conduct' in May 2008 adding 'Prohibition of bribe to public workers in foreign countries' and 'Prohibition of child labor'.

# Examples of good practices

## (3) Human rights system and mechanism

**Sekisui Chemical Co., Ltd.** – Included three representatives of employees in its CSR committee as an important stakeholder as well as top management.

# Examples of good practices

## (4) Value chain management

**Hitachi, Ltd.** - Using the CSR checking list (with five levels in each of eight policies) they developed for themselves in 2008 among their twenty-two group companies. In 2008, based on the guidelines of electronics and information technology industry association, they conducted survey on one hundred main supply chain companies with large scale of purchases. They analyzed more need of activities in human rights, labor, fair trade and ethics, and contribution to society as a whole.

Group companies in Europe started a CSR project within the group choosing promotion of activities for environment, promotion of diversity, respecting human rights and value chain management as new themes.

# Examples of good practices

## (5) Human rights education

**Sompo Japan Insurance Inc.** - Undertaking 'Training for promotion of CSR and human dignity' which combined the 'CSR literacy training' and 'Human dignity promotion training.' In 2008, using their CSR report as a textbook, they undertook participatory training program to discuss concrete measures to tackle problems they face in each working place.

# Examples of good practices

## (6) Stakeholder meetings

**Ricoh Co., Ltd.** - Exchanging opinions on MDGs and contribution to developing countries by inviting international human rights NGOs (Amnesty International Japan, JEN, Oxfam Japan, and the ACE for child labor issue) and UNDP.

# Examples of good practices

## (7) Reporting and disclosure (third-party assessment)

**Ajinomoto Co., Inc.** – “Although the workers of the company in Japan is only 42% in regional configuration of all group company workers, overseas matters are not so much mentioned. It is regretful. And also, employment ratio for people with disabilities in its group companies outside Japan (0.8%) is lower than the ratio of those in Japan.”



# Examples of good practices

**Toshiba Corporation** – “It is important to get over difficult situations together in relation with workers including non-regular workers, business partners and communities, etc.” (by Pro. Katsuhiko Kokubu of Kobe University)

“Disclosure of practices by supply chain should be improved. Since effort of global corporations is crucial for solving human rights problems in developing countries, we request instruction and education to suppliers.” (BSR)

# Examples of good practices

## (8) Reporting and disclosure (indication of CSR)

**Fuji Xerox Co., Ltd.** - Tries to improve practices by creating CSR indicators.

By using a checking list, CSR activities can be measured quantitatively. They set goals for fiscal 2009 based on the achievement in fiscal 2007 and 2008.

# **Examples of good practices**

**(from CSR reports of fiscal 2009)**

## **Performance**

# Examples of good practices

## (1) Rights of workers (prohibition of discrimination)

**Ebara Corporation** – Revised its labor regulation in July 2008. Power harassment and bullying in addition to sexual harassment were to be subject to disciplinary punishment when involving with those harassment directly or indirectly and also ignoring them.

# Examples of good practices

## (2) Rights of workers (human development and education)

**Eisai Co., Ltd.** - In practicing their philosophy 'human health care', they created a section called 'knowledge creation section' in 1997 and started training program on site to visit care and medical facilities. Also, training for experiencing daily life of elderly persons is practiced.

# Examples of good practices

## (3) Rights of minority workers (women)

**Tijin Limited** – Set a goal to have more than 30% of women among newly-employed career-oriented workers and achieved it every year since 2001 except 2007. By the plan to triple woman managerial workers they set a goal to increase woman managerial workers into sixty among twelve main group companies. The figure became sixty-four at the end of fiscal 2008. The ratio of woman managerial workers is 2.87%.

# Examples of good practices

## (4) Rights of minority workers (persons with disabilities)

**Denso Corporation** – Set a goal to achieve 2.18% employment ratio by 2015. The ratio of fiscal 2008 was 1.97% and 539 workers are regular workers. In certain subsidiary companies, there are 76 workers who have disabilities. Group companies in Japan (42 companies) are trying to improve the ratio, 1.71%.

# Examples of good practices

## (5) Rights of minority workers (elderly workers)

**Aeon Co., Ltd.** - Improved re-employment system by introducing 65-years-old retirement system after having a questionnaire and examining dissatisfaction for the system.



# Examples of good practices

(6) Rights of issues in global community (such as fund raising unrelated to its core business)

**JX Holdings, Inc.** - Publishing collections of fictive fairy stories since 1973. They established a fund in 1992 to start scholarship program for children in institutions for children or mother and children through social welfare councils.

# Examples of good practices

**MacDonald's Japan** – Operates 'Donald MacDonald House' for children in hospital and their family members. It offers 'second home' to those who need high level medical care system, who stay away from their home, and who are under economic and mental burden. A total of 2,509 families used the facility in 2008.

# Examples of good practices

**(7) Rights of issues in global community (programs on human rights leveraging goods and services supplied by core business)**

**Sumitomo Chemical Co., Ltd.** - Providing mosquito nets for preventing malaria and free technical cooperation to mosquito net manufactures in Tanzania. They plan to build a production base newly in west Africa. Part of the sales will be used for improving elementary education environment in Africa. In addition, they will build school buildings and food facilities in Kenya, Tanzania, Uganda, Zambia, and Ethiopia.

# Examples of good practices

## **(8) Rights of issues in global community (programs on human rights by and for core business)**

### **Aeon Co., Ltd.**

1. Selling fair trade goods since 2004. At Aeon Forest, they have awareness-raising campaign on HIV/AIDS issue in front of the 'Body Shop' and the 'Get Lippy Campaign' in collaboration with MTV (music channel).
2. Made agreement for disaster prevention with local governments since 1978. A total of 1,046 stores nationwide made agreement as of February 2009.

# Examples of good practices

3. A total of 8,882 workers in all the group companies acquired the second grade service helper approved by the NPO, 'Nippon Care-Fit Service Association'. 8,054 workers became supporters for people with dementia. This system is recommended by Ministry of Health, Labor and Welfare and the Community-Care Policy Network(NPO). And there are 221 Caravan Mates, which are trainers for those supporters (as of fiscal 2008).
4. Practices the 'Happy Yellow Receipt Campaign' on the Aeon Day (11th in every month). In 2008, a total of 1,355 stores of 15 group companies joined the campaign and donated 272,160,000 yen worth of goods to 26,509 organizations.

# Problems that should be solved

- (1) Reports mentioning human rights in top statement or oversee business are still few.
- (2) Indicators for ensuring effectiveness of actions taken in procurement policies for human rights are abstract and results of actions as well as problems are not mentioned clearly.
- (3) Rights of workers of corporations are tend to be mentioned in corporate policies or codes of conduct, but representation of labor union in stakeholder meetings is not so much mentioned.
- (4) Mentioning non-regular workers and those who have difficulties in finding jobs (unstable young workers, single mothers and homeless, etc) is not so much.

# Problems that should be solved

- (5) Quantitative indicators for employment of people with disabilities and women that require positive actions are not mentioned so much.
- (6) Undertaking fair, non-discriminatory recruitment and selection is not mentioned so much.
- (7) Activities respecting human rights in their own business are generally weak and scales of business are small.
- (8) The PDCA cycle (especially C and A) for human rights related practices is not well recognized.

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