Strengthening Initiatives to Respect Human Rights in Procurement Activities

NEC worked with external experts to conduct a review of human rights issues that could impact its business activities. The review found two high-risk themes: “new technology and human rights” and “labor in supply chains.” Among those, we received advice from the expert, regarding ways to take the initiatives on respecting human rights in the supply chain and points to bear in mind.

When investigating the risk, what kind of factors should be considered in addition to region and procurement amount?

Takahashi For example, you might consider the risks of sectors, supplier companies, products being procured and so forth. You can refer to risk information provided by various governments, international organizations, and NGOs as a starting point.

Nagai In addition to the above, the degree of human rights infringements is another perspective that should be included as a factor in the risk-based approach.

Partnerships with Suppliers Help to Increase Competitive Advantage

Shigeki Shimizu
Senior Vice President and
CSCO NEC Corporation

When investing in human rights due diligence, as stated in the “UN Guiding Principles on Business and Human Rights” (the “Guiding Principles”), the first step is to ascertain the negative impacts on human rights in business and the supply chain (human rights risk), then take a risk-based approach of investigating areas with a high human rights risk.

Okimi I feel the risk-based approach is important, as it would be difficult to launch specific initiatives across all suppliers simultaneously.

Ryuuke Tanaka
Programme Officer
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It seems necessary to develop human resources with thorough knowledge of local circumstances and practices throughout NEC’s supply chains, and to build robust relationships with suppliers that allow sharing the benefits of co-promoting socially responsible business conduct. It seems rather challenging for NEC to have a sufficient leverage (influence) over its suppliers through business relationships alone. Improving industrial relationships by collecting and reflecting workers’ voices will allow NEC to gain early access to risk information and develop a foundation to resolve risk issues, which is necessary for preventing labor conflicts. When issues are found to be unscalable by the efforts of one company alone, such issues can be shared with other companies in the same industry to inspire collaborative actions. It is of paramount importance that the Company works towards achieving sustainable and competitive enterprises by encouraging socially responsible labor practices throughout the supply chains and the industry. Engaging in collaboration with governments and stakeholders, and co-creation of values on labour issues inherent to certain industries or regions is meaningful for this purpose.

Takahashi It is also important to establish a contact point for handling complaints as an initiative to complement due diligence and to ensure access to remedy. Recognizing issues at an early stage makes it possible to deal with them before the problem becomes serious.

Responding to Work Styles of the Future through Advancements in ICT

Nakamura I think it will be difficult to expand business going forward without asking crowdworkers to do jobs on a task basis because of a shortage of engineers in the field of ICT. Are there aspects of hiring crowdworkers that we should bear in mind?

Tanaka In a platform economy composed mainly of crowdwork, concerns have been raised around the risk that workers could be forced to work long hours that are not commensurate with their compensation, as a result of being treated as a self-employed. There also needs to be a discussion about excessive monitoring of work, workers’ self-supporting the cost of their own skill acquisition, inadequate systems for social protection and representation, as well as the cross-border governance of crowdwork. Currently, there is no adequate international framework for these new issues. Initiatives by enterprises to promote decent work, sharing of challenges, and exploration of methods for addressing them through multi-stakeholder dialogues would be expected.

Nagai The concepts around work are changing in Europe and the United States, and the number of individual business owners is increasing rapidly. Also, individual business owners do not have a high level of association, so there has been an increase in lawsuits calling for improvement in the work environment and conditions. You should keep in mind that companies are worried about responding to lawsuits since lawmaking has not kept pace with these changes.

Takahashi The Guiding Principles were formulated with the perspective of looking at social issues from various angles in the areas where legislation has not addressed the impact of corporate activities on stakeholders. In cases like those of crowdworkers, it is important to analyze and see whether companies are having a negative impact on the workers by engaging with them, and investigate beyond the framework of the law.

Shimizu Today has provided an excellent opportunity to elevate our stance and viewpoint. We will continue to carefully retain the themes of collaboration and co-creation, while reflecting on our future responsible procurement action plans, including respect for human rights.