

THE PHILIPPINES' CONTRIBUTION
to the Thematic Report by the UN Working Group on the issue of human rights and TNCs and OBEs on
“Business and human rights: towards a decade of global implementation”
(Pursuant to HRC resolutions 17/4, 35/7, and 44/15)

The government of the Philippines is pleased to share its contribution to the thematic report by the UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises (TNCs and OBEs) on the subject of “*Business and human rights: towards a decade of global implementation*” which will be presented at HRC 47 in June 2021. The inputs have been provided by the national line agencies of the Philippines, namely, the Department of Finance, the National Economic and Development Authority, and the Bangko Sentral ng Pilipinas / Central Bank of the Philippines.

1. Where has progress taken place in UNGPs implementation over the course of the last decade? What are the promising developments and practices (by governments, businesses, international organizations, civil society organizations, etc.) that can be built on?

The Philippines has always held human rights laws in high regard, even putting such provisions in the Philippine Constitution. As a general rule, the provisions of the Constitution are considered self-executing, requiring no further legislation for its implementation, unless the contract is provided. Thus, with or without the UNGP BHR, the Philippines has recognized human rights in whatever setting. The Philippines has recently passed the Safe Spaces Act which strengthens protection for both men and women not only in public spaces but in the workplace as well.

2. Where do gaps and challenges remain? What has not worked to date?

There have been challenges in terms of drafting legislative bills that would incorporate suggestions of civil society organizations and human rights organizations in legislation pertaining to business. This is because of the idea that labor laws may be promulgated, thus, the inclusion of human rights provisions in laws such as the Corporation Code are not emphasized.

3. What are key obstacles (both visible and hidden), drivers, and priorities that need to be addressed to achieve fuller realization of the UNGPs?

Most laws prescribe only damages and fines to Corporations or businesses for human rights violations.

4. What systemic or structural challenges need to be tackled to realize sustainable development based on respect for human rights?

Awareness of human rights in the field of business should be further promoted. Labor groups are usually centered around specific working groups such as jeepney drivers, agricultural workers, and the like, thus legislation which would cover all types of workers need more emphasis.

5. In concrete terms, what will be needed in order to achieve meaningful progress with regard to those obstacles and priority areas? What are actionable and measurable targets for key actors in terms of meeting the UNGPs' expectations over the coming years?

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

A formation of larger groups of workers should push for the creation of laws, as well as more public awareness programs by the government.

6. Is there other information relevant to the UNGPs 10+ project that you'd like to share?

UNGPs	Existing Practice and Challenges	Actionable Goals and Targets for Next Decade
<p>Commitment to implementing the UN Guiding Principles (UNGPs) on Business and Human Rights</p>	<ul style="list-style-type: none"> The Philippines’ commitment to the UNGPs are evident in several initiatives of the different branches of government, including: (i) early conversations and continuing advocacy of the Commission on Human Rights of the Philippines (CHRP) on the development of a National Action Plan (NAP) on Business and Human Rights (BHR); (ii) spearheading by the Presidential Human Rights Committee (PHRC) of the development of a NAP on BHR; and (iii) proposals to incorporate the UNGPs in legislative actions such as in the revision of the Corporation Code of the Philippines. However, these activities have yet to be implemented. UNGP has yet to be appreciated by various agencies and branches of government and institutionalized in the whole of government processes. 	<ul style="list-style-type: none"> Conduct of awareness campaigns, consultations, workshops, and capacity-building activities involving the public and private sectors to mainstream UNGP and on how to deal with impact of human rights by business operations. Development of a NAP on BHR. Conduct of research on business and human rights-related issues in the country, such as: environmental rights, human rights defenders, transboundary cases and international trade agreements, migrant workers’ rights, land and community rights, and impact of business operations on women’s rights.
<p>State commitment to implement the UNGPs, e.g. National Action Plans, public statements, national baseline assessments</p>	<p>The State’s duty to protect against human rights abuses is enshrined in the Philippine Constitution:</p> <p>Article II Declaration of Principles and State Policies: Section 11. The State values the dignity of every human person and guarantees full respect for human rights. Section 12. The State recognizes the sanctity of family life and shall protect and strengthen the family as a basic autonomous social institution. It shall equally protect the life of the mother and the life of the unborn from conception. The natural and primary right and duty of parents in the rearing of the youth for civic efficiency and the development of moral character shall receive the support of the Government. Section 13. The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and</p>	

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>social well-being. It shall inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs.</p> <p>Section 14. The State recognizes the role of women in nation-building, and shall ensure the fundamental equality before the law of women and men.</p> <p>Section 15. The State shall protect and promote the right to health of the people and instill health consciousness among them.</p> <p>Section 16. The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.</p> <p>Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.</p> <p>Article XIII Social Justice and Human Rights:</p> <p>Section 1. The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good.</p> <p>To this end, the State shall regulate the acquisition, ownership, use, and disposition of property and its increments.</p> <p>Section 3. The State shall afford full protection to labour, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.</p> <p>It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision- making processes affecting their rights and benefits as may be provided by law.</p> <p>The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.</p> <p>The State shall regulate the relations between workers and employers, recognizing the right of labour to its just share in the fruits of production and</p>	
--	---	--

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>the right of enterprises to reasonable returns to investments, and to expansion and growth.</p> <p>Section 14. The State shall protect working women by providing safe and healthful working conditions, taking into account their maternal functions, and such facilities and opportunities that will enhance their welfare and enable them to realize their full potential in the service of the nation.</p> <p>The Migrant Workers and Overseas Filipinos Act of 1995:</p> <p>(a) In the pursuit of an independent foreign policy and while considering national sovereignty, territorial integrity, national interest and the right to self-determination paramount in its relations with other states, the State shall, at all times, uphold the dignity of its citizens whether in country or overseas, in general, and Filipino migrant workers, in particular, continuously monitor international conventions, adopt/be signatory to and ratify those that guarantee protection to our migrant workers, and endeavor to enter into bilateral agreements with countries hosting overseas Filipino workers.</p> <p>(b) The State shall afford full protection to labour, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. Towards this end, the State shall provide adequate and timely social, economic and legal services to Filipino migrant workers.</p> <p>(c) While recognizing the significant contribution of Filipino migrant workers to the national economy through their foreign exchange remittances, the State does not promote overseas employment as a means to sustain economic growth and achieve national development. The existence of the overseas employment program rests solely on the assurance that the dignity and fundamental human rights and freedoms of the Filipino citizens shall not, at any time, be compromised or violated. The State, therefore, shall continuously create local employment opportunities and promote the equitable distribution of wealth and the benefits of development.</p> <p>(d) The State affirms the fundamental equality before the law of women and men and the significant role of women in nation-building. Recognizing the contribution of overseas migrant women workers and their particular vulnerabilities, the State shall apply gender sensitive criteria in the formulation</p>	
--	---	--

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>and implementation of policies and programs affecting migrant workers and the composition of bodies tasked for the welfare of migrant workers.</p> <p>(e) Free access to the courts and quasi-judicial bodies and adequate legal assistance shall not be denied to any person by reason of poverty. In this regard, it is imperative that an effective mechanism be instituted to ensure that the rights and interest of distressed overseas Filipinos, in general, and Filipino migrant workers, in particular, whether regular/documented or irregular/undocumented, are adequately protected and safeguarded.</p> <p>Labor Code of the Philippines</p> <p>Safe Spaces Act It being the policy of the State to value the dignity of every human person and guarantee full respect for human rights. Said law also recognizes the role of women in nation-building and ensure the fundamental equality before the law of women and men. The State also recognizes that both men and women must have equality, security and safety not only in private, but also on the streets, public spaces, online, workplaces and educational and training institutions.</p> <p>Occupational Safety and Health Standards Act Ensuring a safe and healthful workplace for all working people by affording them full protection against all hazards in their work environment. It shall ensure that the provisions of the Labor Code of the Philippines, all domestic laws, and internationally-recognized standards on occupational safety and health are being fully enforced and complied with by the employers, and it shall provide penalties for any violation thereof. The State shall protect every worker against injury, sickness or death through safe and healthful working conditions thereby assuring the conservation of valuable manpower resources and prevention of loss or damage to lives and properties consistent with national development goals, and with the State’s commitment to the total development of every worker as a complete human being. The State, in protecting the safety and health of the workers, shall promote strict but dynamic, inclusive, and gender-sensitive measures in the</p>	
--	--	--

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>formulation and implementation of policies and programs related to occupational safety and health.</p> <p>Anti Child Abuse Law It is hereby declared to be the policy of the State to provide special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination, and other conditions prejudicial to their development including child labour and its worst forms; provide sanctions for their commission and carry out a program for prevention and deterrence of and crisis intervention in situations of child abuse, exploitation and discrimination. The State shall intervene on behalf of the child when the parent, guardian, teacher or person having care or custody of the child fails or is unable to protect the child against abuse, exploitation and discrimination or when such acts against the child are committed by the said parent, guardian, teacher or person having care and custody of the same.</p> <p>The Anti-Trafficking in Persons Act 2003 It is hereby declared that the State values the dignity of every human person and guarantees the respect of individual rights. In pursuit of this policy, the State shall give highest priority to the enactment of measures and development of programs that will promote human dignity, protect the people from any threat of violence and exploitation, eliminate trafficking in persons, and mitigate pressures for involuntary migration and servitude of persons, not only to support trafficked persons but more importantly, to ensure their recovery, rehabilitation and reintegration into the mainstream of society.</p>	
	<ul style="list-style-type: none"> • Since 2017, the Executive Branch of the Philippine government, through the PHRC, has led several initiatives towards the institutionalization of a NAP-BHR (i.e. multi-stakeholder consultations, drafting of an Administrative Order). The proposed Administrative Order, which defines and strengthens government policies for the effective promotion of human rights in the business sector and indicates the formulation of a NAP-BHR, is pending adoption. • The formulation of the Third National Human Rights Plan for 2018-2022 (PHRP3) was spearheaded by the PHRC Secretariat, in coordination with respective core international human rights treaties lead agencies. The 3rd Chapter of the PHRP3 tackles the State’s commitment to the International Covenant on Economic, Social, and Cultural Rights 	<ul style="list-style-type: none"> • Development of a NAP on BHR •

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<p>(ICESCR). The Philippines recognizes that the rights guaranteed by the ICESCR are the foundations to ensure human rights in the business sector.</p>	
<p>State structures mandated to implement the UNGPs, e.g. government ministry tasked with implementation measures; allocations of internal resources</p>	<ul style="list-style-type: none"> • The Presidential Human Rights Committee is tasked to spearhead the development of a NAP-BHR through an Administrative Order as an enabling mechanism. • The proposed Administrative Order defines the specific roles of government agencies in strengthening government policies for the effective promotion of human rights in the business sector and mandates the development of a NAP-BHR. • Indirectly, government instrumentalities ensure compliance to existing measures that protect human rights in the business sector, however, these need to be more pronounced and defined. 	<ul style="list-style-type: none"> • Issuance of an enabling mechanism defining the roles of government agencies • Development of a NAP-BHR and defining mandates of government instrumentalities or national human rights institutions (NHRIs) in the implementation of UNGPs

Regulatory and Policy Efforts	Existing Practice and Challenges	Actionable Goals and Targets for Next Decade
<p>Legal and regulatory developments that enable or require business enterprises to respect human rights, e.g. mandatory human rights due diligence, duty of care, reform of securities law</p>	<ul style="list-style-type: none"> • <i>Civil Code of the Philippines (Republic Act No. 386), Chapter 2 on Human Relations, Article 32</i> allows for a wide range of claims for damages against natural and juridical persons where there is a violation of any right in a list mirroring that of the Constitution’s Bill of Rights. These rights include freedom of religion, speech, equal protection, freedom from unreasonable searches and seizures, and right of membership in associations and participation in peaceful assemblies, among others. • <i>Labor Code of the Philippines (Presidential Decree No. 442)</i> stipulates that corporate employers are liable for damages for such acts as illegal termination of employment, discriminating against women (Article 135), unfair labor practice (Article 247), and illegally locking workers out from their jobs (Article 263g). Corporate officers themselves may be held solidarily liable with the corporate employer where there is proof that they acted with bad faith or malice. • “<i>Guidelines on the Conduct of the Department of Labor and Employment (DOLE), Department of Interior and Local Government, Department of National Defense, Department of Justice, Armed Forces of the Philippines, and Philippine National Police Relative to the Exercise of Workers’ Rights and Activities</i>” (May 2012) ensures the effective exercise of trade union rights and the prevention of violations of workers’ rights, in a climate free from violence, pressure, fear and duress of any kind from any organization.¹ • <i>DOLE Order No. 149, s. 2016 Guidelines in Assessing and Determining Hazardous Work in the Employment of Persons below 18 Years of Age</i> strengthens the measures to prevent and eliminate the worst forms of child labor. • <i>International Labour Organization (ILO) Conventions</i>. The Philippines continue to be a signatory to all eight (8) ILO Fundamental Conventions. Several technical ILO Conventions were also adopted by the Philippines since the endorsement of the UNGP in 2011.² • Labor is entitled to humane conditions of work not only in the physical workplace but includes the manner by which employees treat their employees. 	<ul style="list-style-type: none"> • Continue to engage with the UN Community in pursuing international human rights laws on business and human rights, including but not limited to the ongoing discussion on the drafting of a Legally Binding Instrument on Transnational Corporations and Other Business Enterprises.

1

Guide lines on the Conduct of the DOLE, DILG, DND, DOJ, AFP, and PNP Relative to the Exercise of Workers’ Rights and Activities. Department of Labor and Employment. Retrieved from https://blr.dole.gov.p

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>The Labor Code of the Philippines also provides that the State shall ensure equal work opportunities regardless of sex, race or creed.</p> <p>Labor Code also prohibits and penalizes payment of lesser compensation to female employees as well as to discriminate in regard to wages to encourage or discourage membership in any labor organization</p> <ul style="list-style-type: none"> • DOLE Guidelines for the Implementation of Mental Health Workplace Policies and Programs for the Private Sector (2020); 105-Day Expanded Maternity Leave Law 	
<p>Legal or regulatory developments that enable or require reporting and transparency on how business enterprises address human rights risks (own activities and value chain)</p>	<ul style="list-style-type: none"> • <i>Principle 14 of the Securities and Exchange Commission’s (SEC) Code of Corporate Governance for Publicly-Listed Companies</i> states that the rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders’ rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.³ • Proposal to include in the Corporation Code the Revocation of License for failure or refusal to prevent, address or mitigate any adverse human rights impacts of their operations, products or services after a human rights due diligence has been conducted 	<ul style="list-style-type: none"> • Explore legislative proposals to increase access to information about corporations and their activities, encourage corporate insiders to provide information and evidence on wrongful corporate conduct and introduce penalties other than damages, fines, and imprisonment. • Consider requiring businesses to report their human rights performance based on UNGP principles that include due diligence, impact reporting, remediation, and establishment of effective grievance mechanisms, to complement these businesses’ compliance with the Commission requirements stipulated under relevant laws.

[h/wp-content/uploads/2017/10/exercise_of_workers_rights_and_activities.pdf](https://www.sea.gov.ph/wp-content/uploads/2017/10/exercise_of_workers_rights_and_activities.pdf)

² *Seafarers’ Identity Documents Convention (Revised), 2003, as amended (No. 185) in force since 19 Jan 2012; Domestic Workers Convention, 2011 (No. 189) in force in 5 Sep 2012; Maritime Labour Convention, 2006 (MLC, 2006) in force since 20 Aug 2012 and its succeeding amendments in force in 2017 and 2019 respectively; Amendments of 2016 to the Annexes of the Convention No. 185 in force since 08 June 2017; Labour Relations (Public Service) Convention, 1978 (No. 151) in force since 10 October 2017; Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) in 17 June 2019*

³ *Securities and Exchange Commission. (November 22, 2016). Code of Corporate Governance for Publicly-Listed Companies. Retrieved from https://www.sec.gov.ph/wp-content/uploads/2019/11/2016_memo_circular_no.19.pdf*

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

<p>Legal or regulatory developments that enable or require reporting and transparency on how business enterprises address human rights risks (own activities and value chain)</p>	<p><u>SEC has issued SEC Memorandum Circular No. 4, Series of 2019 otherwise known as the Sustainability Reporting Guidelines (SR Guidelines) for Publicly-Listed Companies (PLCs)</u>, requiring PLCs to disclose their business practices through the submission of a sustainability report. Currently, SEC adopts a “comply or explain” approach to Sustainability Reporting for the first three years upon implementation [2019-2021 SRs to be submitted on 2020-2022], which means that the PLCs may provide explanations for items that they have no available data on. This is to give PLCs ample time to determine their material impacts and collect data.</p> <p>The SR Guidelines on disclosures under social topics relate to how the organization manages its relationship with its stakeholders such as employees, customers, suppliers, communities, the public and the government. It includes disclosures on issues related to human rights, access to and quality of products and services, responsible business practices in marketing, customer privacy and data security.</p> <p>However, it must be noted that the SR Guidelines only apply to PLCs and not to all types of corporations.</p> <p>Proposal to include in the Corporation Code the Revocation of License for failure or refusal to prevent, address or mitigate any adverse human rights impacts of their operations, products or services after a human rights due diligence has been conducted</p>	<p>The SEC aims to adopt a mandatory approach to sustainability reporting for PLCs by 2022.</p> <p>The SEC likewise hopes to introduce the concept of SR to companies other than PLCs in the years to come.</p>
<p>Legal or regulatory developments that enable or require financial institutions, including institutional investors, to embed respect for human rights throughout their core business activities</p>	<ul style="list-style-type: none"> • <i>Securities and Exchange Commission (SEC) Memorandum Circular No. 4, s. 2019 Sustainability Reporting Guidelines for Public-listed Companies</i> serves as guidance for all listed companies on how to disclose sustainability performance and report contributions towards the Sustainable Development Goals and the country’s long-term vision AmbisyonNatin2040, which are 	<ul style="list-style-type: none"> • Explore initiatives relative to human rights in core business activities by: <ul style="list-style-type: none"> ✓ developing and institutionalizing creative methods to enable people, including marginalized and discriminated against groups, to freely participate in proposed development initiatives that may

The Philippines’ Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on “Business and human rights: towards a decade of global implementation”

	<p>both anchored in the promotion, protection, and fulfillment of human rights.⁴</p> <ul style="list-style-type: none"> • Proposal to include in the contents of the articles of incorporation that a part of the purpose of corporations is to support and respect the protection of internationally recognized human rights and make sure it is not directly involved or complicit in human rights abuses 	<p>affect them or that should benefit them; and</p> <ul style="list-style-type: none"> ✓ establishing policies to ensure that information and communication technology investments are not used to limit freedom of expression or infringe international obligations on privacy rights. • Requiring businesses to report their human rights performance based on UNGP principles that include due diligence, impact reporting, remediation, and establishment of effective grievance mechanisms.
<p>Legal and regulatory developments that enable or require financial institutions, including institutional investors to embed respect for human rights throughout their core business activities</p>	<ul style="list-style-type: none"> • <u>Section 301 of the Manual of Regulation for Banks (MORB): Grant Of Loans And Other Credit Accommodations, to wit:</u> <p><u>Unfair collection practices.</u> Banks, collection agencies, counsels and other agents may resort to all reasonable and legally permissible means to collect amounts due them under the loan agreement: <i>Provided</i>, That in the exercise of their rights and performance of duties, they must observe good faith and reasonable conduct and refrain from engaging in unscrupulous or untoward acts. Without limiting the general application of the foregoing, the following conduct is a violation of this Section:</p> <ol style="list-style-type: none"> <i>the use or threat of violence or other criminal means to harm the physical person, reputation, or property of any person;</i> <i>the use of obscenities, insults, or profane language which amount to a criminal act or offense under applicable laws;</i> 	
<p>Guidance on human rights expectations for business enterprises, including financial institutions</p>		

⁴ Securities and Exchange Commission. (February 15, 2019). Sustainability Reporting Guidelines for Publicly-Listed Companies. Retrieved from <https://www.sec.gov.ph/wp-content/uploads/2019/10/2019MCNo04.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<p>c. <i>disclosure of the names of borrowers who allegedly refuse to pay debts, except as allowed under this Section on Confidentiality of information;</i></p> <p>d. <i>threat to take any action that cannot legally be taken;</i></p> <p>e. <i>communicating or threat to communicate to any person credit information which is known to be false, including failure to communicate that a debt is being disputed;</i></p> <p>f. <i>any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a borrower; and making contact at unreasonable/ inconvenient times or hours which shall be defined as contact before 6:00 A.M. or after 10:00 P.M., unless the account is past due for more than sixty (60) days or the borrower has given express permission or said times are the only reasonable or convenient opportunities for contact</i></p> <p>Circular No. 1098 on 03 November 2020 stipulates the new cap on credit card interest rates. Under the Circular, interest or finance charges on unpaid outstanding credit card balance should not exceed 24 percent annually or two percent per month. The policy initiative — made possible by BSP's supervisory authority over credit card issuers under the Credit Card Industry Regulation law — is seen to foster responsible credit card lending in the country. Rates and fees provided by the circular are subject to review by the BSP every six months.</p>	
<p>Legal or regulatory developments that enable or require financial institutions, including institutional investors, to embed or respect for human rights throughout</p>	<p>Financial institutions that are publicly-listed in the Philippine Stock Exchange are required to submit a sustainability report containing the recommended disclosures on issues relating to human rights pursuant to the SR Guidelines.</p>	<p>Adoption of a mandatory approach to sustainability reporting for PLC.</p> <p>Introduction of the concept of SR to companies other than PLCs.</p>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

their core business activities		
Guidance on human rights expectations for business enterprises, including financial institutions	<p>Guidance comes from provisions of the Labor Code, special statutes on labor rights, and rules and regulations of the Department of Labor and Employment.</p> <p>The SR Guidelines provided for recommended disclosures on human rights business practices that will serve as guidance to covered financial institutions, to wit:</p> <ol style="list-style-type: none"> a. Occupational health and safety (safe man hours, work-related injuries, work-related fatalities, work-related ill-health, safety drills); b. Labor laws and human rights (legal actions or employee grievance involving forced or child labor, policies disallowing violations of labor laws and human rights e.g. harassment, bullying in the workplace); c. Supply chain management (protection of human rights as a consideration for choosing suppliers); and d. Product or service contribution to the UN Sustainable Development Goals (in relation to UN SDG No. 8 on Decent Work and Economic Growth). 	<p>Adoption of a mandatory approach to sustainability reporting for PLCs by 2022.</p> <p>Revisiting of the SR Guidelines and update the same as may be necessary to better support transparency and full disclosure.</p>
Incentives for responsible business (e.g. sanctions for practice that breaches human rights standards; or, "carrots" or "sticks" by export credit or finance institutions to encourage responsible business)	<ul style="list-style-type: none"> • While it does not necessarily provide incentives for responsible business on human rights, SEC lists several benefits of sustainability reporting for businesses under its Memorandum Circular No. 4, series of 2019. Benefits include improved company reputation and brand value, investor attractiveness, stronger stakeholder engagement, and competitive advantage.⁵ • The Labor Code recognizes rights of workers to organize and collectively bargain for their employment rights with 	<ul style="list-style-type: none"> • Explore initiatives to incentivize businesses to protect and promote human rights in their operations (i.e. provide tax incentives and penalties to promote responsible business and investment; ensure that businesses can access needed information; facilitate an understanding of the minimum legal requirements for issues relating to responsible business practices and offer

⁵ Securities and Exchange Commission. (February 15, 2019). Sustainability Reporting Guidelines for Publicly-Listed Companies. Retrieved from <https://www.sec.gov.ph/wp-content/uploads/2019/10/2019MCNo04.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<p>their employers, in order to agree on terms and conditions of their employments including mechanisms for the protection of their rights. The Labor Code provides administrative, civil and criminal remedies against employers business enterprises who refuse to recognize the right of their workers to organize and collectively bargain.</p> <ul style="list-style-type: none"> • The Labor Code also provides tax incentives to businesses that allow the employment of certain groups of workers such as PWDs, women, learners and apprentices. 	<p>capacity-building, business advisory services and technical assistance to businesses when needed)</p>
<p>Guidance on human rights expectations for business enterprises, including financial institutions</p>	<ul style="list-style-type: none"> • <i>Sustainability Reporting Guidelines for Public-listed Companies (Securities and Exchange Commission Memorandum Circular No. 4, s. 2019)</i> provides a set of guidelines to help publicly-listed companies assess and manage non-financial performance across economic, environmental and social aspects of their organization, and to measure their contributions towards universal targets of sustainability. The memo includes guidelines on disclosing issues related to human rights, access to and quality of products and services, responsible business practices in marketing, customer privacy and data security.⁶ 	<ul style="list-style-type: none"> • Development of a NAP on BHR which will indicate the concerned government instrumentalities' role and guidance to business enterprises on human rights promotion. • Develop guidance materials to make the business community aware of Philippine governments' expectations regarding business respect for human rights.
<p>Integration of the UNGPs in other policy tools oriented to responsible business (e.g. do other policy instruments relating to responsible business or "CSR" refer to the UNGPs, or if not are there plans to strengthen alignment</p>	<ul style="list-style-type: none"> • A bill seeking to institutionalize corporate social responsibility (CSR) in the operation of corporations in the country is pending in Congress. It seeks to encourage all domestic and foreign business organizations, established and operating under Philippine laws, to observe corporate social responsibility in the operations of their businesses in the country.⁷ 	<ul style="list-style-type: none"> • Institutionalize CSR in all business operations in the country.

⁶ Securities and Exchange Commission. (February 15, 2019). *Sustainability Reporting Guidelines for Publicly-Listed Companies*. Retrieved from <https://www.sec.gov.ph/wp-content/uploads/2019/10/2019MCNo04.pdf>

⁷ Cervantes, F.M. (May 20, 2020). *Corporate social responsibility bill gets final House nod*. Retrieved from <https://www.pna.gov.ph/articles/1103485>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

Human Rights at the "State-Business Nexus" – Leading by Example	Existing Practice and Challenges	Actionable Goals and Targets for Next Decade
<p>State efforts to protect human rights among business enterprises that are owned or controlled by the State, when providing funding or other support to business e.g. export credit agencies</p>	<ul style="list-style-type: none"> • Employees of government owned and controlled corporations with original charters (those created by a special law and not the Corporation Code) are covered by civil service laws and regulations that provide for the rights and remedies for workers in government service. • The Philippine Guarantee Corporation, the country's principal agency for state guarantee finance, adopts a Code of Ethics and Business Conduct which serves as guide in carrying out professional and ethical standards of behavior among officials and employees. The Code ensures transparency and data privacy for all stakeholders, among others.⁸ 	<ul style="list-style-type: none"> • Establish a formal cooperation pact that includes human rights due diligence based on the expectations of export credit institutions set by the UNGP
<p>State efforts to protect human rights when contracting with businesses to provide services, e.g. health care, social security, education</p>	<ul style="list-style-type: none"> • The Government Service Insurance Act and the Social Security Act institutionalize systems of contributions from workers in the public and private sector, respectively, to be used for their own benefit, which include insurance, death and disability compensations, retirement pay, etc. • <i>Executive Order (EO) No. 40, s. 2001</i>. The EO cites the principles of good governance, transparency, accountability, equity, and efficiency in the government procurement process, and the eradication of malpractices, particularly graft and corruption. It also consolidates existing administrative orders, issuances, rules and regulations on the procurement of goods, civil works and consulting services. Further, it develops a single set of rules that embodies a streamlined procurement process uniformly applicable to all government procurement.⁹ 	<ul style="list-style-type: none"> • Ensure that government contracting allows for human rights-related matters to be reflected in the procurement of public services • Systematic and comprehensive monitoring of the performance of public contracts with regard to respect for human rights

⁸ PhilEXIM Code of Ethics and Business Conduct. (June 22, 2017). Retrieved from <http://www.philexim.gov.ph/index.php/about-us/code-of-ethics>

⁹ EO No. 40, s. 2001. Retrieved from <https://www.officialgazette.gov.ph/2001/10/08/executive-order-no-40-s-2001/>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<ul style="list-style-type: none"> • <i>EO No. 109, s. 2002</i> mandates the National Economic and Development Authority, in consultation with the Department of Justice, to issue guidelines regarding joint venture agreement with private entities with the objective of promoting transparency, impartiality, and accountability in government transactions and, where applicable, complying with the requirements of an open and competitive public bidding.¹⁰ 	
<p>State efforts to protect human rights through public procurement</p>	<ul style="list-style-type: none"> • Outsourced workers of the government are considered employees of the business enterprise which the government contracts for services. Hence, such employees are covered by, and entitled to the rights provided under, the Labor Code. • <i>Revised Implementing Rules and Regulations of the Government Procurement Reform Act (Republic Act No. 9184)</i> adopts the human rights principles of transparency, accountability, and civil society involvement. The law provides transparency in the procurement process and in the implementation of procurement contracts through wide dissemination of bid opportunities and participation of pertinent non-government organizations. It also provides a system of accountability where both the public officials directly or indirectly involved in the procurement process, when warranted by circumstances, are investigated and held liable for their actions.¹¹ 	<ul style="list-style-type: none"> • Explore strategies to further protect human rights through public procurement (i.e., responsible supply chain management, public information, redress mechanisms), noting the human right principles on transparency, accountability, and responsible business practices

¹⁰ *EO No. 109, s. 2002*. Retrieved from <https://www.officialgazette.gov.ph/2002/05/27/executive-order-no-109-s-2002/>

¹¹ *Revised Implementing Rules and Regulations of the Government Procurement Reform Act*. Retrieved from <http://ps-philgeps.gov.ph/home/images/legalbases/RevisedIRR.RA9184.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

<p>State efforts to protect human rights through development finance</p>	<ul style="list-style-type: none"> • The Philippines follows a national budgeting framework, including guidance on the approval of domestic and foreign development finance and aid, to ensure that financing contribute to priority societal goals such as anti-poverty programs and economically productive opportunities. Priority societal goals are identified particularly to address the need of the vulnerable and the marginalized sectors. • Locally, the Philippine Guarantee Corporation, as the principal agency for state guarantee finance, is mandated to perform development financing through the provision of credit guarantees in support of trade and investments, exports, infrastructure and other priority sectors of the economy.¹² One of the guarantee programs of the agency is the Home Guaranty Corporation (HGC) Credit Guarantee System for Housing Loans, as provided by Republic Act 8763. The program seeks to enhance the capability of low-income groups to acquire decent and low-cost housing units through the introduction of support mechanisms and facilities which shall render affordable such acquisitions.¹³ 	<ul style="list-style-type: none"> • Continue to ensure that development financing particularly to programs and projects will ensure the promotion of human rights and address the needs of the vulnerable sectors.
<p>Policy Coherence at the National, Regional, and International Levels</p>	<p>Existing Practice and Challenges</p>	<p>Actionable Goals and Targets for Next Decade</p>
<p>Horizontal and vertical policy coherence, e.g., coordination on business and human rights policies across government agencies and departments, at multiple levels of government. (e.g. <i>BHR and SDG NAPs cross-</i></p>	<ul style="list-style-type: none"> • The Labor Code provides for the duties of different agencies with regard to the protection of labor rights, along with aspects for coordination. • The CHR has an implicit mandate in handling complaints concerning alleged business-related human rights abuses. 	<ul style="list-style-type: none"> • Development of a NAP on BHR, to include initiatives such as institutionalizing government training curriculum on BHR

¹² PHILGUARANTEE Mandate. Retrieved from <https://philguarantee.gov.ph/about-us/mandate/>

¹³ Republic Act 8763 (Home Guaranty Corporation Act of 2000). Retrieved from https://lawphil.net/statutes/repacts/ra2000/ra_8763_2000.html

The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on "Business and human rights: towards a decade of global implementation"

<p><i>reference or are integrated, government training curriculum on BHR, NHRI recommendations to government)</i></p>	<p>Business-related human rights abuses are included in CHR's scope of power to investigate.¹⁴</p> <ul style="list-style-type: none"> • Several initiatives towards the institutionalization of a NAP-BHR define the role of government agencies in strengthening government policies for the effective promotion of human rights in the business sector. However, these are yet to be institutionalized. • The PHRP, which indicates the country's commitment to the core international treaties, stipulates the role and commitments of the government agencies in addressing the rights guaranteed by the treaties. Policy coherence are encouraged with the established Working Groups. 	
<p>Business-related policy with other State and businesses (e.g. trade and investment agreements, investor-state contracts)</p>	<ul style="list-style-type: none"> • The Philippines has entered into 68 bilateral agreements with other states for the protection of Overseas Filipino Workers (OFWs), 43 of which are still valid as of October 2018. • The state with the most number of OFWs, Saudi Arabia signed two MOA with the Philippines on the recruitment and deployment of domestic workers and of general workers, respectively. Saudi Arabia also signed with the Philippines a MOA on technical-vocational education and training. • The EU General System of Preference Plus Program (EU-GSP+), a partnership program of the Philippines with the EU, provides a preferential tariff scheme for Filipino goods exported to EU-member States. Such preference is accorded in keeping with the Philippines' compliance with certain requirements covering four areas, namely: human rights, labor, good governance, and environmental protection. The human rights compliance under the EU- 	

¹⁴ Commission on Human Rights. (June 15, 2019). Retrieved from <https://www.ohchr.org/Documents/Issues/Business/Remedy/Commission%20on%20Human%20Rights%20Philippines.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
“Business and human rights: towards a decade of global implementation”**

	GSP+ basically covers the State's level of implementation of its various obligations relative to the core human rights treaties to which it is a signatory. ¹⁵	
Across multi-lateral institutions (e.g. regional organizations, participation in other international processes on BHR, integration of BHR in multi-lateral finance and trade)	<ul style="list-style-type: none"> In 2017, the Association of South East Asian Nations, to which Philippines belongs, entered into an agreement called the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers. The “Responsible Supply Chains in Asia” is a pilot project funded under the EU Partnership Instrument and developed by the EU together with the ILO and OECD. It promotes corporate social responsibility and responsible business conduct with regard to the environment, decent work and the respect of human rights by ensuring that investors and businesses have a better understanding and practical examples of responsible behavior. The project, which started in early 2018, is implemented over 3 years in partnership with six Asian countries, namely China, Japan, Myanmar, the Philippines, Thailand and Vietnam.¹⁶ (Source: NEDA) 	Continue to participate in international processes on BHR, including UN platforms such as the Open-Ended Intergovernmental Working Group On Transnational Corporations And Other Business Enterprises, ECOSOC Forum on Financing for Development, etc.
Access to Remedy	Existing Practice and Challenges	Actionable Goals and Targets for Next Decade
Effectiveness of judicial mechanisms to address business-related human rights abuse allegations	<ul style="list-style-type: none"> <i>Labor Code of the Philippines (PD No. 442) Article 260.</i> Requires parties to establish grievance machinery for the resolution of grievances arising from the interpretation or implementation of a collective bargaining agreement or the interpretation or enforcement of company personnel policies.¹⁷ <i>Occupational Safety and Health Standards (OSHS).</i> Pursuant to the rule-making authority of the Secretary of Labor and Employment under Article 5 of the Labor Code, these are issued for guidance and compliance to ensure the protection and welfare of 	<ul style="list-style-type: none"> Explore strategies to hold corporations that engage in unlawful conduct accountable for abuses of human rights, i.e., optimally invoking existing laws, provision of specialized and sustained training to justice sector agents (i.e. law enforcement, prosecution, courts) in handling cases involving corporate human rights abuse

¹⁵ European Commission. *The EU Special Incentive Arrangement for Sustainable Development and Good Governance ('GSP+') assessment of the Philippines covering the period 2018 – 2010.* Retrieved from <https://ec.europa.eu/transparency/regdoc/rep/10102/2020/EN/SWD-2020-24-F1-EN-MAIN-PART-1.PDF>

¹⁶ European Commission. (March 2019.) *Corporate Social Responsibility, Responsible Business Conduct, and Business & Human Rights.* Retrieved from https://media.business-humanrights.org/media/documents/files/documents/Brochure_CSR_BHR_overview_of_progress.pdf

¹⁷ *Labor Code of the Philippines.* Retrieved from <https://blr.dole.gov.ph/2014/12/11/book-v-labor-relations/>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<p>workers of the following industries: (i) call center; (ii) shipbuilding, ship repair and shipbreaking industry; (iii) maritime; (iv) pyrotechnic; and (v) movie and television industry. Violations of the provisions of these Standards shall be subject to the applicable penalties provided for in the Labor Code, Presidential Decree (PD) 442 as amended.</p> <ul style="list-style-type: none"> • <i>Republic Act No. 9231</i> (An Act Providing for the Elimination of the Worst Forms of Child Labor and Affording Stronger Protection for the Working Child).¹⁸ The law provides special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination, and other conditions prejudicial to their development including child labor and its worst forms. It provides sanctions for their commission and carries out a program for prevention and deterrence of crisis intervention in situations of child abuse, exploitation and discrimination. Particularly, Section 6 of the said law lays out penal provisions and penalties to protect the children against the violations of corporations, employers, parents or any person to the said Act. • Redress through the Philippine court system is the primary remedy available for corporate human rights violations, with the Philippine Supreme Court serving as the court of last resort.¹⁹ 	
<p>Effectiveness of and access to non-judicial state-based processes, e.g. OECD NCPs, NHRIs , multi-stakeholder grievance mechanisms, international grievance and regional mechanisms</p>	<ul style="list-style-type: none"> • <i>Sagip Batang Manggagawa</i>, an inter-agency quick action mechanism, is aimed at responding to cases of child labor in extremely abject conditions. It employs an inter-agency quick action team for detecting, monitoring, and rescuing child laborers in hazardous and exploitative working conditions. • The Commission on Human Rights has three primary mandates: (1) human rights protection, which includes 	<ul style="list-style-type: none"> • Strengthening of alternative dispute resolution at all levels of the government

¹⁸ The LAWPhil Project. *Philippines Law and Jurisprudence Databank*. Retrieved from: www.lawphil.net/statutes/repacts/ra2003/ra_9231_2003.html

¹⁹ *International Commission of Jurists. Access to Justice: Human Rights Abuses Involving Corporations*. Retrieved from <http://www.icj.org/wp-content/uploads/2012/06/Philippines-access-justice-publication-2010.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	witness protection, fact-finding investigations, evaluation of investigation reports and recommendation of appropriate actions in the form of resolution; (2) human rights promotion, which includes education and popularization of human rights; and (3) furtherance of human rights policy, which includes working with other government agencies to make policies of the government more human rights-sensitive. These functions are likewise being performed in the context of business and human rights. ²⁰	
Multi-stakeholder Platforms	Existing Practice and Challenges	Actionable Goals and Targets for Next Decade
Multi-stakeholder initiatives to support responsible business and accountability	<ul style="list-style-type: none"> Pending legislative proposal on the alignment of the Corporation Code of the Philippines with the UNGPs, specifically relating to the second pillar – the corporate responsibility to respect human rights. 	<ul style="list-style-type: none"> Development of a NAP on BHR Strengthen partnerships among government agencies, non-government organizations, labor unions, and the business community to detect monitor, and respond to instances of business and human rights violations in the formal and informal sectors. NHRI to strengthen its monitoring system on business and human rights violation cases through stronger linkages with the grievance desks of administrative agencies (i.e., DOLE, DTI) Amend the Corporation Code to align it with the UNGP on BHR Encourage the members of civil society to train in monitoring, documenting, and reporting instances of human rights abuse involving corporations
	<ul style="list-style-type: none"> In addition to requiring PLCs to submit a Sustainability Report, SEC Memorandum Circular No. 11, Series of 	Adoption of a mandatory approach to sustainability reporting for PLCs.

²⁰ Commission on Human Rights. (June 15, 2019). Retrieved from <https://www.ohchr.org/Documents/Issues/Business/Remedy/Commission%20on%20Human%20Rights%20Philippines.pdf>

**The Philippines' Contribution to the Thematic Report by the UN Working Group on TNCs and OBEs on
"Business and human rights: towards a decade of global implementation"**

	<p><u>2014 also mandates PLCs to disclose their Corporate Social Responsibility initiatives in their websites.</u> These disclosures are aimed at promoting responsible business and accountability among PLCs. (<i>Securities and Exchange Commission</i>)</p>	<p>Introduction of the concept of SR to companies other than PLCs.</p>
--	---	--

--- END ---