



Responsible Business Conduct

Social Dialogue

22 June 2021





Responsible Business Conduct at the OECD



**Government
policies for
responsible
business conduct**



**Helping businesses
conduct due
diligence in global
supply chains**



**Strengthening
access to remedy:
National Contact
Points**

**Partnerships with key economies in global supply chains
Awareness raising**



Responsible Business Conduct

OECD Guidelines for Multinational Enterprises

Disclosure	Human Rights	Employment & Industrial Relations
Environment	Consumer interests	Science & Technology
Combating Bribery, Bribe Solicitation and Extortion	Taxation	Competition

- Maximise positive benefits and take steps to identify and address negative impacts
- Incorporates cross-cutting expectation of “**due diligence**” to identify and address harm in operations, supply chains, business relationships
- Issues generally inter-connected



The OECD RBC instruments are aligned with other international standards in RBC



OECD Guidelines for Multinational Enterprises



ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy



UN Guiding Principles on Business and Human Rights



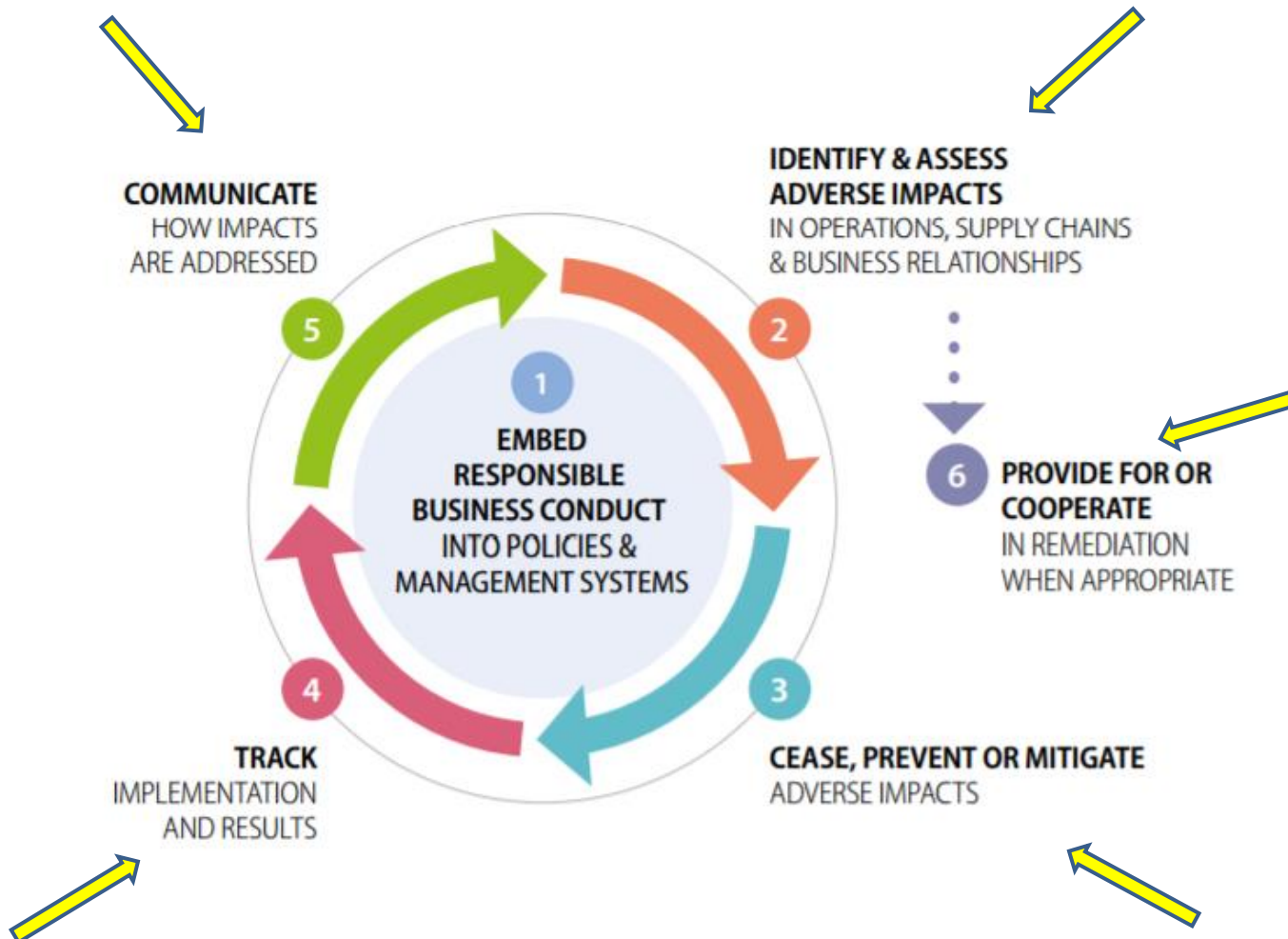
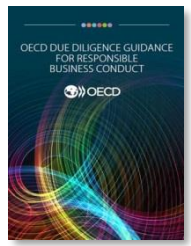


DUE DILIGENCE FOR SOCIAL DIALOGUE



OECD Due diligence Framework

Stakeholder engagement in due diligence



Due diligence essentials

- ✓ Preventative
- ✓ Involves multiple internal processes
- ✓ Based on international standards
- ✓ Ongoing, dynamic & responsive
- ✓ Risk-based
- ✓ Engages stakeholders
- ✓ Tailored to size & circumstances of the company
- ✓ Adapted to different business relationships
- ✓ Involves ongoing communication



E.g. OECD Garment Guidance recommendations for engaging Trade unions in the due diligence process

Enterprises should **engage with trade unions** and representative organisations of the workers' own choosing.

Trade unions should be involved – i.e. actively participate in design and implementation – in the following due diligence processes:

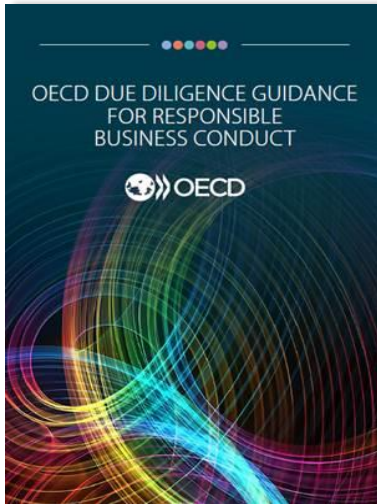
- On-site supplier assessments
- Development of corrective action plans
- Verification, validation and monitoring of impacts
- Design of operational-level grievance mechanisms

Enterprises should consult trade unions – i.e. requesting their input and feedback – during the scoping of risks in the enterprise's operations and its supply chain.



Due diligence and social dialogue

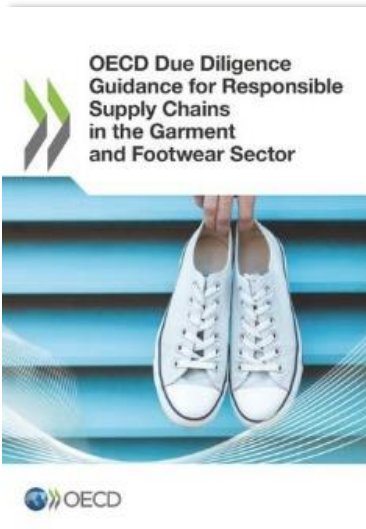
Freedom of Association and Collective Bargaining



Recognised prevalent risk in global supply chains in due diligence guidance



- Subject of ILO Fundamental Conventions
- Widely considered an “enabling right” with clear links to: Wages, working hours, OHS, etc.





EXAMPLES



Example 1: Protocol agreements, eg. Global Framework Agreements (GFAs)

- Establish a joint understanding and commitment between trade unions and companies on the implementation of trade union rights and sometimes other related rights
- May be established locally or at regional or sector-wide level.
- May be legally binding
- Effectiveness relies on the establishment of an operational and effective dispute resolution mechanism.

E.g. Current list of Global Framework Agreements between IndustriALL Global Union and multinational companies:

Aker	ASOS	BMW	Bosch	Daimler
EADS	EDF	Electrolux	Enel	Engie (GDF Suez)
Eni	Esprit	Essity	Equinor	Ford
Siemens Gamesa	GEA	H&M	Inditex	Leoni
Lukoil	MAN	Mann + Hummel	Mizuno	Norsk Hydro
Norske Skog	Petrobras	Prym	PSA Peugeot Citroën	Renault
Rheinmetall	Röchling	Saab	Safran	SCA
Siemens	Solvay	SKF	Stora Enso	Tchibo
Total	ThyssenKrupp	TK Elevator	Umicore	Vallourec
Volkswagen	ZF			



Example 2: Myanmar Freedom of Association Guideline

The Myanmar FoA Guideline:

- Between employers and workers in Myanmar's Garment and Footwear industry.
- Developed and agreed in 2019 (Letter of Agreement)
- Aims to contribute to a stable and growing industry through constructive industrial relations in line with International Labour Standards.



Since 1 April 2020, compliance with the FOA Guideline is a business requirement for all factories producing for ACT Member brands in Myanmar.



Example 3: The Bangladesh Accord

Collaboration with peers:

- 222 companies (2013 Accord)
- 190 companies (2018 Transition accord)



Stakeholder Engagement:

- Legally-binding agreement between brands & trade unions
- Steering Committee with equal representation of the signatory companies and trade unions
- Joint labour-management

Safety Committees



> 190
brands



> 1600
factories



>2 Million
workers



Thank you

Find us online

<https://mneguidelines.oecd.org/>

Contact us

Dorothy.Lovell@oecd.org