Opening session
Agenda

1. ILO / IOE
2. RESPONSIBLE BUSINESS CONDUCT
3. INTERNATIONAL INSTRUMENTS AND INITIATIVES
The International Labour Organisation

- **187 Members**
- **1919 Founded**
- **3 Partite**
- **189 Conventions**
- **204 Recommendations**
- **2 Governing Body Meetings P.A.**
- **1998 Declaration**
- **8 Core Labour Standards**
- **2008 Declaration**
- **1 International Labour Conference P.A.**
- **4 Standard Committees**
- **3 Topical Committees**
International Organisation of Employers

Social & Labor Policy

Private, Voluntary & Independent

Promoting Business Interest

ILO, UN, G20/B20, UNGC and more

156 Members

144 Countries

3 Company Networks

5 Policy Working Groups

40+ MNE
What is responsible business conduct?
Growing Expectations to Business

- Corporate social responsibility moving into new phase
- End of philanthropy, it is not about doing nice things but about doing the right thing
- Human Rights & Labour Rights as core component of social responsibility, becoming more and more binding
- Collaboration with stakeholders
- Business case to be made by companies
- Leading companies setting the standards
- Responsibility for all companies, small and large
Responsible Business Conduct

Mapping:
What does responsible business conduct mean in Tanzania?
Responsible Business Conduct in Tanzania

Summery from workshop mapping responsible business conduct in Tanzania 17 October:
Responsible Business Conduct

Mapping:
National, regional and international standards, laws, guidelines, principles, frameworks, expectations, ISO-standards, sector initiatives, demands, regulation...
Instruments on responsible business conduct in Tanzania

Summery from workshop mapping of instruments used in Tanzania 17 October:

• Labour laws
• Code of conduct
• Health and Safety policies
• Anti-money laundering
• Environmental policies (NEMC)
• Anti-bribery
• IT-policies
• Tax & audit compliance
• ISO certification

Regulatory bodies/authorities (SSRA, TIRA, TCRA, TBS, TFDA, TRA, BOT, ENURA, Brella, WCF, Sumatra)

• Global gap
• CSR
• H&R policies and procedures
• Import & export procedures
• Quality control
• Agricultural export (MPS)
• OSHA
• Fire
• Fair Trade International Standards (SHL)
New up-coming regulations

Inter-governmental:
- UNGP
- OECD Guidelines
- Decent work in global supply chains
- ILO conventions
- EU conflict mineral laws
- Council of Europe
- Recommendation on business and human rights
- UN covenant on economic, social and cultural rights
- UN General Comment
- OHCHR Accountability and Remedy Project
- G20/B20 Recommendation on Responsible Business conduct
- Trade agreements

Voluntary initiatives:
- Global Compact
- ISO 26000
- ISO 37001, ISO 9001, etc.
- Various sector initiatives
- OECD sector guidance (textile, conflict mineral)
- Sustainable Development Goals (SDG)

National legislation:
- UK Modern slavery act
- UK BA / FCPA etc
- Non-financial Reporting Requirement
- National Action Plans
- French due diligence act
- India reporting + donation requirement
- US Trafficking and Slavery Act
Growing Expectations to Business

- Corporate social responsibility moving into new phase
- End of philanthropy, it is not about doing nice things but about doing the right thing
- Human Rights & Labour Rights as core component of SR, becoming more and more binding
- Collaboration with stakeholders
- Business case to be made by companies
- Leading companies setting the standards
- Responsibility for all companies, small and large

Key words:

1. Know and show
2. Supply Chain
3. Due Diligence
4. Transparency
5. National and International Standards
6. More and more binding
7. Part of core company processes and policies
8. Business opportunity

Start today!!!!!
Thank you
Extra slides on various initiatives
Shaping Responsible Business Conduct ILO +

- OECD Guidelines MNE
- UN Global Compact
- UN Guiding Principles
- ECUADOR Treaty
- UN Working Group Human Rights
- Stakeholders
- G7/G20
- ILO MNE Declaration
- Corporate Human Rights Benchmark
- ILO Decent Work in Supply Chains
- ISO 26000
- Sustainable Development Goals
UN Global Compact

- Voluntary corporate sustainability initiative
- Initiated by former UN Secretary-General Kofi Annan
- Call for action: Business community & UN to put a human face on globalisation
- More than 14,000 participants, including over 9,000 businesses, in 145 countries around the world
- Strategic review undertaken: governance, focus (SDG, PPP), global versus regional, reporting requirements to include SDGs
- Integrity measures on alleged violations

10 Principles on:
- Human Rights (2)
- Labour Rights (4)
- Environment (3)
- Anti-Corruption (1)
Commitments & Benefits Signatory to UNGC

- **10 principles part of business strategy**
- **Annual Communication on Progress**
- **Public disclosure to stakeholders**
- **Voluntary financial contribution to become mandatory as of 2018**

If failing to full fill its commitments, listed as “non-communicating” and eventually expelled.

- **Tools and guidance**
- **Peer learning**
- **Working Groups**
- **Local and regional network**

Stakeholders expect from business to commit to being a responsible employer, UNGC is a tool in showing this commitment.

Sustainable Development Goals on top of 10 principles!
OECD Guidelines for Multinational Enterprises

- 40 OECD countries to date
- Indonesia key partner
- From government to business
- MNE and SME that are active on a multinational scale
- Voluntary grievance mechanism
- Mediation by National Contact Points
- Not legally enforceable but to drive responsible behavior

To avoid adverse impacts of their own business activities on the interests that are covered by the Guidelines: do not cause, do not substantially contribute, seek to avert that partners infringe and encourage suppliers to apply

10 Area`s on:
- General policies
- Disclosure
- Human rights
- Employment and industrial relations
- Environment
- Combating bribery
- Consumer interests
- Science and technology
- Competition
- Taxation
Due Diligence Within OECD Guidelines

- No pre-described due-diligence process
- Sector specific due-diligence guidelines on garment & footwear, extractive sector and conflict minerals
- No due diligence in the fields of competition, science & technology, taxes
- Tailor made approach (depending on enterprise size, the context of the business activity, the gravity of the adverse effects)
- Know, solve and show

Due diligence is the process whereby enterprises identify, prevent and mitigate actual and potential adverse effects, and also report how they take these effects into account in their decision making and risk-management.
ILO MNE Declaration

- Adopted by ILO Governing Body in 1977
- Governments & Business in all countries
- Interpretation procedure (≠ complaints mechanism)
- ILO helpdesk free and confidential service: assistance@ilo.org or +41 22 799 62 64
- Reviewed in 2017:
  - Voluntary, promotional and guidance-serving nature preserved
- Language consistent with UN Guiding Principles and other international standards
- Company Union Dialogue facilitation: voluntary, consensus, confidential

5 Area` s on:

- General Policies
- Employment
- Training
- Working Conditions
- Industrial Relations
ILO MNE Declaration Interpretation Procedure

The purpose of the procedure is to interpret the provisions of the Declaration when needed to resolve a disagreement on their meaning, arising from an actual situation, between parties to whom the Declaration is commended.

- Procedure to assess if request for interpretation is receivable
- If accepted Office drafts a reply that needs approval by the ILO Governing Body, before forwarding to parties concerned and being published
- 24 requests to date, last request in 1997
- Issues raised: plant closures and/or collective dismissal, Freedom of Association and Collective Bargaining, OSH, poor working conditions and wages
ILO MNE Declaration Company-Union Dialogue

Where a company and a union voluntarily agree to take advantage of using the facilities of the International Labour Office to meet and talk, without prejudice, the Office will provide a neutral ground for discussion of issues of mutual concern.

- The Office and the participants shall maintain strict confidentiality of the dialogue process.
- The participants to the dialogue will be determined by the company and the union.
- The company–union dialogue is based on consensus of the parties, and its content shall not be used for any binding procedure.
- The Office shall keep the secretariats of the Workers’ and Employers’ groups informed at the end of the process that it has been completed.
ISO 26000

- International Organization for Standardization (ISO), founded in 1947, over 19,500 International Standards established
- ISO 26000 Guidance on Social Responsibility
  1. To assist organizations in contributing to sustainable development
  2. To encourage organizations to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility
  3. To promote common understanding in the field of social responsibility
  4. To complement other instruments and initiatives for social responsibility, not to replace them
- Voluntary, NO certification

7 Principles of Social Responsibility (SR) on:
- Accountability
- Transparency
- Ethical behaviour
- Respect, consideration and responsiveness
- Respect for the rule of law
- Respect for international norms of behaviour
- Respect for human rights
ISO 26000 – core subjects
## Strengths And Weaknesses of ISO 26000

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<td>▪ Broad international consensus</td>
<td>▪ Not free of charge</td>
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<td>▪ Good basis for X-border discussions on SR and for starting a SR journey</td>
<td>▪ Guidance is long, complex and difficult to read</td>
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<td>▪ Good basis for engaging in stakeholder dialogue</td>
<td>▪ MNE focussed</td>
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<td>▪ Freedom of use</td>
<td>▪ Tends to dictate actions rather than explain</td>
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<td>▪ To help inform social responsibility policies &amp; practices</td>
<td>▪ Misused to certify</td>
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Future: review of ISO 26000, to include UN Guiding Principles, revised OECD Guidelines, SDGSs, ..... ? Certification? Proposal for a new and permanent ISO Technical Committee on Social Responsibility!!!!
Ecuador Treaty

- The open-ended UN Intergovernmental Working Group (IGW), chaired by Ecuador, is mandated to “elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises”
- UN Guiding Principles on Business & Human Rights +
- Multi-stakeholder process, IOE only business representative
- 2015 and 2016 Multi-Stakeholder meetings to align scope, focus and liability
- In 2017 first draft text ready for discussion from 23-27 October

- Scope: MNEs or all companies?
- Focus: Limited number of human rights or all human rights?
- Liability/Access to remedy: focus on improving access to remedy at local level or through extraterritorial jurisdiction in home countries?
G7/G20 Global Supply Chain Focus

- G7 meeting Elmau in 2015 commitment to foster sustainable global supply chains
- Followed up by G20
- Develop common understanding of due diligence and responsible supply chain management
- Promotion of successful consumer initiatives and tools and identification of potential joint actions to promote better consumer information
- Develop measures for convergence and better implementation of labour, social and environmental standards along the entire supply chain in the textile and ready-made garment sector
- Support for a Vision Zero Fund

G20 2017 Germany focus:
- Sustainable Global Supply Chains
- Diversity
- Labour Market integration of Migrants and Refugees
- Future of Work
# Vision Zero Fund

## INFORMATION
- Multi-donor fund (D 3 million EUR, US 1 million $, EU 3 million EUR)
- Fund should not lead to a two-tier system in which companies integrated in global supply chains would have better labor, social and environmental standards than domestic companies

## AIM & SCOPE
- Reducing and preventing the number of workplace related deaths, serious injuries and diseases in global supply chains
- Promotion of company-based practices; improvement of public OSH frameworks or the provision of know-how for the establishment of national work-related injury insurance schemes

## FUND
- Pilot with a focus on the ready-made garment sectors of selected countries (Myanmar, Ethiopia, Bangladesh?)
- Fund established within the ILO
- IOE will be in the Global Advisory Council
- Support reconfirmed at the G20 Labour Ministerial Meeting in Bad Neuenahr in 2017
- No actions to date
ILC 2016 Decent Work in Global Supply Chains

1. Capacity building & technical assistance to member States on labour administration and inspection systems
2. Promote effective national and cross-border social dialogue
3. Assess the impact, scalability and adapt and scale up development cooperation programmes, such as Better Work
4. Drive policy coherence among all multilateral initiatives
5. Provide expertise to the OECD NCPs on social and labour standards
6. Guidance to enterprises on the application of labour standards within their supply chains and make information available on specific country situations, laws and regulations
7. Focus on decent work and protection of fundamental principles and rights at work for workers in EPZs
8. Better and more accessible data on decent work in GSCs

Technical tripartite meeting or a meeting of experts to:

1. Assess the failures which lead to decent work deficits in global supply chains
2. Identify the salient challenges of governance to achieving decent work in global supply chains
3. Consider what guidance, programmes, measures, initiatives or standards are needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains

Next step:
- ILO expert meeting on Export Processing Zones
- 21-23 November
The 10 Principles of the UN Global Compact

**Human rights**
1. Support and respect the protection of internationally proclaimed human rights within their sphere of influence, and
2. Make sure that they are not complicit in human rights abuses

**Labour relations**
3. Uphold freedom of association and the effective recognition of the right to collective bargaining, and
4. Encourage elimination of all forms of forced and compulsory labour,
5. Effective elimination of child labour, and
6. Elimination of discrimination in respect of employment and occupation

**Environment**
7. Support for a precautionary approach to environmental challenges,
8. Undertake initiatives to promote greater environmental responsibility, and
9. Encourage development and diffusion of environmentally friendly technologies

**Combatting Corruption**
10. Businesses should work against all forms of corruption, including extortion and bribery
IOE Team – Power of the Network
Growing Expectations to Business

Mapping:
Stakeholder expectations
Stakeholders expectations

- Stakeholder 1: Expectations...
- Stakeholder 2: Expectations...
- Stakeholder 3: Expectations...
Summery from workshop mapping of stakeholders:

- TBS
- TRA
- TIRA
- OSHA
- ATE
- TCRA
- EWURA
- TUCTA
- ILO
- ISM
- NEMC
- ISM
- Ministry of Labour
- NGOs