



GARMENT AND FOOTWEAR SECTOR

5th OECD POLICY MAKER ROUNDTABLE

VIRTUAL EVENT | 19 APRIL 2023 | 12:30 – 4:00 pm (CEST)

Please register [here](#)

AGENDA

Wednesday 19 April 2023

The Roundtable will be chaired by **Ms. Dorothy LOVELL, Sector Lead, Garment and Footwear, OECD Centre for Responsible Business Conduct**

12:30 – 12:45 **1. Opening of the Roundtable**

Mr. Allan JORGENSEN, Head, OECD Centre for Responsible Business Conduct

Ms. Madelaine TUININGA, Head of Unit, DG Trade, European Commission

12:45 – 14:15 **2. Tour de table: RBC policy updates relevant to the garment and footwear sector**

This session will give the opportunity to participants to share relevant government policy updates from the last 14 months to promote responsible supply chains in the garment and footwear sector. These may include information about: new and emerging supply chain legislation, regulations, action plans; government-backed sustainability initiatives, government-backed support tools; investment and trade regimes; public procurement; or development cooperation projects.

Please indicate your interest to take the floor and, if possible, share your topic(s) with Andrea Schill (Andrea.Schill@oecd.org) in advance.

14:15 – 14:30

Break

14:30 – 15:45

3. Deep dive session: Discussing expectations and policy approaches to facilitating and overseeing the role of sustainability initiatives in due diligence in the sector

In this session, the OECD will first present the **OECD Alignment Assessment methodology and practice**, sharing some key learnings from the pilot assessments undertaken in the sector to date. Then governments and international governmental organisations from across the supply chain are invited to share their **perspectives, policy approaches, findings, and questions** on the **role of sustainability initiatives¹ in companies' due diligence**.

Please see a short **background note** below this agenda.

3.1 Introduction to OECD Alignment Assessments² in the garment and footwear sector

Presented by **Ms. Andrea SCHILL, Policy Analyst, Garment and Footwear, OECD Centre for Responsible Business Conduct**.

Questions and Answers from the floor

3.2 Discussion with all participants on expectations and policy approaches to facilitating and overseeing the role of sustainability initiatives in due diligence

Guiding questions

Impact of sustainability initiatives

- Which types of sustainability initiatives have supported measurable improvements in RBC due diligence implementation among companies in this sector? On which issues did your government observe improvements in particular?
- What have been key learnings on strengths and weaknesses of different types of sustainability initiatives that support and/or assess elements of RBC due diligence?

Government measures and oversight

- Which approaches has your government taken to facilitate or oversee sustainability initiatives that are used by companies in the sector?
- What role does your government see for OECD Alignment Assessments in its policy making towards effective due diligence implementation in the sector?

Future developments

- What role do governments see for sustainability initiatives in promoting, scaling up and assessing RBC due diligence over the next 3-5 years? What risks might need to be mitigated?
- How should the landscape of sustainability initiatives ideally develop over time?

¹ A sustainability initiatives is any multistakeholder, government-backed or industry initiative, scheme or programme that provides tools, information, capacity building or otherwise facilitates, sets requirements for, or monitors, audits, verifies, assures, certifies, benchmarks or otherwise assesses business practices, sites or products in relation to sustainability objectives (i.e. objectives related to human rights, social or environmental impacts).

² See more on OECD Alignment Assessments in the [background note](#) below.

Speakers

Mr. Abdur RAHIM KHAN, Additional Secretary (Export), Ministry of Commerce, Bangladesh

Ms. Annette SEIDEL, Head of Unit, Sustainable Textile Supply Chains, Sustainable Consumption, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

Mr. SOM Chamnan, Secretary of State, Ministry of Labour and Vocational Training, Cambodia

Ms. Maria VASQUEZ, Chief Technical Advisor, Better Work Indonesia, ILO

Ms. Emily NORTON, Lead, Regulatory Engagement and Sustainability Initiatives, OECD Centre for Responsible Business Conduct

Open discussion with all participants

15:45 – 16:00 4. Summary, looking forward and closing

Background note

The role of sustainability initiatives in companies' due diligence

Sustainability initiatives have steadily proliferated over the last two decades, as companies and governments seek to give consumers and investors greater certainty about the sustainable nature of particular products, companies, supply chains and investments. These initiatives play a critical role in promoting collective action to solve problems, scaling up responsible and sustainable practices, and driving best practices that go beyond legal requirements. However, the **resulting landscape is vast and complex**, with initiatives varying significantly in their ambition, core activities, scope, and composition. While this diversity can be a strength as initiatives focus their resources and expertise, companies and their suppliers can face multiple and at times duplicative or conflicting expectations across different sectors, supply chains and geographies. Many sustainability initiatives are also facing mounting criticism from stakeholders, who see weaknesses in their design, levels of transparency and worker engagement, governance, and oversight models—and a corresponding lack of impact.

Facilitation initiatives versus verification initiatives

Sustainability initiatives tend to play two broad roles in the context of companies' RBC due diligence. First, they can *inform* the due diligence process, acting as facilitators and multipliers by providing companies with collaborative tools, guidance, and information to help them scale up effective practice. Second, many initiatives increasingly set requirements for and *assess, monitor, or certify* individual company practices or products against those requirements. Many initiatives will fall into both categories and carry out very different types of facilitation and verification activities within them.

- **Facilitation initiatives** refer to initiatives that facilitate or inform companies' risk management and broader due diligence responsibilities, but do not monitor, assess, assure, verify, or certify company performance. They may, for example, provide

information (e.g. country-level updates, sector-, product- or site-specific information, such as product or material life cycle assessment data, or chain of custody or other traceability information), tools (e.g. reporting templates, living wage assessment ladders, supplier assessment tools) and guidance (e.g. guidance on chemical management best practice, establishing grievance mechanisms, improving purchasing practices or supplier assessments) or set environmental or social targets or metrics for companies.

- **Verification initiatives** refer to initiatives that set written requirements for companies or products and monitor, assess, verify, certify, assure, or benchmark companies, sites, products, suppliers, or other business partners against those requirements.

See the OECD's policy note on "[The role of sustainability initiatives in mandatory due diligence](#)", p. 6.

Trends towards mandatory due diligence and increasing voluntary commitments of companies have given **new urgency to debates about the role of sustainability initiatives in the due diligence process**. They have also increased pressure on initiatives to better integrate RBC due diligence guidance and address longstanding stakeholder concerns about their effectiveness, governance, oversight systems and credibility. Companies should have the flexibility to use initiatives that they consider relevant and useful for their due diligence and initiatives of different shapes and sizes **can inform and facilitate company due diligence across the 6-step framework**. However, there is a limit to how much of the due diligence process initiatives can carry out on behalf of companies - regardless of how strong or well-designed they are. Companies retain responsibility for building on and tailoring the information they receive from initiatives to the specificities of their own supply chains. For example, integrating received information into their own risk prioritisation and management processes, identifying gaps and layering on their own dynamic, risk-based monitoring, mitigation, prevention, and stakeholder consultation processes.

The role of government to create an enabling environment for responsible supply chains

Governments have an important role to play in aligning RBC expectations and creating an enabling policy environment that drives, supports, and promotes responsible business conduct, products, supply chains and investments in the sector. Using a range of different policy measures in a smart and coherent way can create important incentives and reduce barriers for businesses in implementing meaningful due diligence in their operations and supply chains. Governments are increasingly referencing international due diligence standards in an effort to ensure that companies use risk-based due diligence to identify, address and report on the impacts associated with their activities and value chains. Recent examples of policy measures that reference OECD standards include: public procurement tools and documents, trade agreements, investment treaties, sustainable finance legislation and corporate reporting as well as RBC due diligence legislation.

Government policy approaches to regulating and facilitating sustainability initiatives

Policy makers have already taken actions to promote and facilitate collaboration of companies on due diligence through sustainability initiatives. Such actions have included the development and funding of sustainability initiatives, referring to a wide range of sustainability initiatives in policy measures, and pointing existing initiatives to companies to facilitate their due diligence implementation. However, the lack of clarity among different actors as to which due diligence issues are covered by different initiatives, and the quality of the support given by the initiative, suggests an important role for policy makers to better regulate and facilitate sustainability initiatives.

Governments' policy approaches can focus on, amongst others:

- Develop and implement **robust assessment methodologies** (e.g., OECD Alignment assessment methodology) that evaluate initiatives for their credibility, which elements of due diligence they support, how they are aligned with international RBC standards and how initiatives' activities are implemented in practice.
- Set **expectations for companies** to evaluate initiatives that they intend to use and report on how their collaboration in those initiatives supported their due diligence activities.
- Develop **own credible initiatives** that are aligned with RBC standards where they are designed to contribute to certain due diligence steps;
- Set **clear expectations for initiatives** (e.g., on their credibility, claims and transparency) and, if relevant, for their conformity assessment bodies or other accredited bodies;
- Promote **harmonisation and cross-recognition** among initiatives, where feasible and impactful;
- **Guard against over-reliance** on initiatives by companies (in the context of their due diligence) and by policy makers (in the context of policy design and implementation)³, noting that collaboration does not alter the responsibility of the individual company to identify, prevent or mitigate harm⁴.

OECD Alignment Assessments of Industry and Multi-Stakeholder Programmes in the Garment and Footwear Sector

OECD Alignment Assessments evaluate the alignment of an industry, government, or multi-stakeholder initiative with the recommendations of OECD due diligence guidance, using the OECD's alignment assessment tools and methodology. Alignment assessments focus on the adequacy of the initiative's standards and monitoring, oversight, and implementation activities. They do not draw conclusions about the adequacy of the due diligence carried out by individual companies that participate in the initiative under assessment. OECD Garment Guidance is the negotiated and government-backed benchmark for due diligence by industry, multi-stakeholder, and government-backed initiatives.

To help support a common understanding of due diligence while also enabling cross-recognition between programmes, in 2018 the OECD launched a pilot process to assess the alignment of multi-stakeholder and industry initiatives with the OECD Garment and Footwear Sector Guidance (OECD Alignment Assessment). It is voluntary and has been piloted with the Sustainable Apparel Coalition (2019), the Partnership for Sustainable Textiles (2020), the Dutch Agreement for Sustainable Garment and Textiles (2020), Fair Wear Foundation (forthcoming) and Green Button (forthcoming). In 2023, the OECD will conduct further pilot assessments, including of certification standards.

See more on [OECD Alignment Assessments of Industry and Multi-Stakeholder Programmes](#).

See the OECD's policy note on "[The role of sustainability initiatives in mandatory due diligence](#)" for more details.

³ It is important that governments recognise that initiatives may not cover or fully align with due diligence expectations; many initiatives are effective precisely because they are narrow in scope. Furthermore, company participation in an initiative is not a guarantee of compliance with the initiative's underlying standards. In the context of enforcement, especially where governments have adopted mandatory due diligence law, information provided by initiatives on behalf of members would need to be checked and being ensured that companies have adapted and built on the received information.

⁴ Garment Guidance, p. 28

■ About the Policy Maker Roundtable

This 5th annual roundtable will convene government officials from adhering and non-adhering governments as well as representatives from intergovernmental organisations engaged in the garment and footwear sector and its supply chain. The roundtable provides an important space for participants to update their peers on their recent activities in a tour de table and discuss policy options for enabling responsible business conduct (RBC) in the sector in a deep-dive session.

[Read more](#) about the Policy Maker Roundtable.

■ Participant information

The PMRT is for government officials from OECD members, adhering governments, governments from key economies in the garment and footwear sector and representatives from intergovernmental organisations. Policy makers are welcome to share this invitation internally with other government officials working on RBC in the garment and footwear sector, as well as to share suggestions with the OECD Secretariat for government officials to invite from other key economies for the sector.

■ Chatham House Rule

The Roundtable will generally be held under Chatham House Rule, which means that participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. However, the Secretariat proposes to share an outcome document with all participants to the Roundtable after the event, listing the policy updates given per government and intergovernmental organisation. Please notify the Secretariat in case certain or all updates given should not appear in this outcome document. For the deep-dive session, only key summary messages will be shared in the outcome document that will not identify the speakers.

■ Languages

This Roundtable will be held in English.

■ Contact

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