The 6th edition of the OECD Global Forum on Responsible Business Conduct (GFRBC), gathered over 750 participants, including representatives from 60 governments including all 37 OECD Members and 23 non-Members, companies and business associations, trade unions, civil society and international organisations including the UN Food and Agriculture Organization (FAO), International Labour Organization (ILO), the UN Office on Human Rights (UNOHCHR) and United Nations Development Programme (UNDP).

Over 35 sessions took place covering a wide range of topics, including: the purpose of business in society; blockchain for responsible supply chains; business support for civic freedoms and Human Rights Defenders; National Contact Points as a mechanism to promote social dialogue; the gender perspective to global supply chains; modern slavery in supply chains; supply chain transparency; promoting responsible supply chains in Asia and the role of governments, trade unions and NGOs in promoting Due Diligence.

Several sessions were organised by or with other organisations and partners: (FAO), the UN Working Group on Business and Human Rights, the UNOHCHR, the RBA, TUAC, OECD Watch).

Opening panel: Launch of the OECD Due Diligence Guidance on Responsible Business Conduct

The Forum opened with the launch of the Due Diligence Guidance for Responsible Business Conduct, adopted during the OECD meeting of the Council at Ministerial level (MCM) on 31 May 2018. The stakeholders who were closely involved in its development including representatives from BIAC, TUAC and OECD Watch, described the need for and significant value of this resource and pledged to actively promote it among their networks. The representative of the Office of the United Nations High Commissioner for Human Rights (OHCHR) voiced strong support for the Guidance and its alignment with the UN Guiding Principles for Business and Human Rights (UNGPs) and stated that the OHCHR would be active in referring companies to the Guidance as a tool for implementing the UNGPs.
The purpose of business in society

This panel discussed the changing role of business in society to extend beyond the realisation of profits to also take into account the contribution of business activity to social and environmental outcomes. Expectations for companies to address environmental and social impacts linked to their operations are growing. However operationalising policies on responsible business conduct and social impacts remains a challenge for some companies. In contexts where respect for rule of law is a challenge, there is an additional need for companies to act responsibly. Companies need to obtain a social license to operate from the communities that are impacted by their operations; this requires continuous dialogue and engagement, rather than one-way communication. Similarly, governments have the ultimate societal contract with their citizens and should not shy away from their responsibility to require industry to operate in a responsible manner.

Blockchain for responsible supply chains

In this session, we heard from Hugo Boss and DeBeers who are each pioneering the use of this technology for cotton and diamond supply chains, respectively. The technology appears to be a promising solution to some of due diligence’s more challenging problems, mainly as Blockchain creates a powerful platform for collaboration of parties who fundamentally do not trust one another and allows them to participate and communicate on the same platform; bringing trust about between non-trusting parties. This could enable the easier management of increasingly complicated networks of suppliers with a greater level of trust, ideally establishing proof of quality, provenance, and payment on the raw materials and products being tracked. This could also potentially allow the participation in the supply chain of actors who would ordinarily be excluded or disempowered, such as artisanal miners, small-scale traders, homeworkers etc.).

Challenges that still need to be addressed in pilots include (but not limited to): establishing the governance rules for collaboration in a platform, scaling up from blockchain protocol to use cases, and building in the interoperability of different blockchain and data systems.

Deep-dive: Measuring impact of RBC practices

Companies are increasingly asked by consumers, shareholders and governments to take into account and to take responsibility for, the impact of their operations. The conversation has gradually moved away from the cost/benefit in terms of the financial performance of responsible business conduct to finding the best way to measure the impact of responsible business conduct. Focusing on measuring the social and environmental impact of business operations, making benchmarking initiatives and related data more transparent, while reflecting on how to better complement companies’ credit risk assessments by sustainability criteria, will allow companies to better measure the impact of their RBC initiatives.
**NCPs: a mechanism to promote social dialogue**

*National Contact Points* for Responsible Business Conduct bring parties to the table in the context of a specific instance. These interactions can become the start of a longer-term relationship of social dialogue between the parties, thus improving future alignment on RBC issues. Recent cases handled by NCPs notably provided a space for social dialogue. As explained in a report entitled *Facilitating Social Dialogue Under the OECD Guidelines for Multinational Enterprises*, which was presented during the session, this role of NCPs in restoring social dialogue between stakeholders and companies is also important in the context of the *Global Deal* agenda. This session drew out some of the key lessons learnt from three successful NCP cases in bringing parties together and setting the ground for a continued dialogue. The panellists and participants highlighted cases involving FIFA, Unilever and Natixis, underlining the importance of trust as a key factor for successful dialogue.

**Taking a gender perspective to responsible supply chains**

OECD *Due Diligence Guidance for Responsible Business Conduct* advises that due diligence should be tailored to address specific risks taking into account how these risks affect different groups, including applying a gender perspective to due diligence.

Panellists highlighted what it means to take a gender perspective to due diligence. Case studies from the textile and garment, cocoa and horticulture sector were presented to illustrate the need for a gender dimension to due diligence and the positive impacts, including financial, that this has had for companies and women workers alike. Integrating gender issues into due diligence is needed to ensure that women can enjoy decent working conditions. The risks of reprisals women can face in the workplace and at home for participating and speaking out should be considered and addressed. It is also critical for women to be represented in decision-making structures, including in trade unions, and due diligence consultation processes. Companies can play an important role in changing societal attitudes about the role of women, including by recognising the contribution that women make in the workplace, and raising awareness among men to support women in the workplace and take a greater share of responsibility at home. Finally, grievance mechanisms need to reflect, and respond to, intersectional discrimination.

**Tackling modern slavery in supply chains**

Modern slavery is a global problem that requires international and collective action - ILO estimates that 89 million people experienced some form of modern slavery over the past five years. In 2016 alone - on any given day - 40.3 million people were victims, with 24.9 million forced to work under threat or coercion. Private sector action, particularly with respect to key risk areas (e.g. recruitment or worker fees) has made a significant contribution to eradicking these crimes. Panelists highlighted that forced labour and trafficking are fundamentally about criminal profit, corruption, money laundering and even tax evasion. The “follow the money” approach can disrupt criminal profits significantly; in this respect the role of financial sector due diligence and government action on public procurement were highlighted as opportunities. In some countries, structural issues associated with legal immigration processes can also contribute to abuse (e.g. visa restriction).
Other approaches include using government leverage through public procurement; getting the right information to investors; promoting more transparency in the supply chain; collective action on worker fees, trafficking hotlines and international coordination are relevant. Panellists highlighted that international action, for example by the G20, could help bring these different solutions and approaches together.

Promoting Responsible Supply Chains in Asia

The OECD, ILO and EU are partnering with Japan, China, Thailand, Viet Nam, and the Philippines – all major actors in global supply chains – on a new 3-year (2018-2020) project to deepen engagement and promote responsible business conduct in Asia. The session was an opportunity to present the project and hear from partner countries on why promoting responsible business conduct, including in supply chains, is important, as well as their concrete expectations. The panellists highlighted that promoting responsible supply chains is a key aspect of addressing economic, environmental and societal needs, even if local contexts may differ (e.g. among the six partner countries, Japan is an OECD Member and adherent to the OECD Guidelines for Multinational Enterprises). The promotion of RBC policies has already led to improving national regulatory and legal frameworks, in addition to direct changes in businesses themselves in integrating RBC in the corporate culture. This project will generate new opportunities for experience sharing, peer learning, capacity building, co-ordination and communication on RBC.

Supply Chain Transparency

Organised with the International Corporate Accountability Roundtable and the Clean Clothes Campaign

Supply chain disclosure is a key component of due diligence, enabling workers and allies to play a critical role in providing information to companies about their human rights risks and impacts. There is a growing momentum towards greater disclosure of supplier information, but each sector is at a different stage in this journey in terms of the scope and type of information they disclose publicly. Stakeholders working in four different industry sectors (apparel, electronics, transport and food) discussed momentum towards disclosure of supplier information in their sector. Business representatives in the apparel and food sector spoke of the drivers that led their company to decide to disclose, such as the rise of reporting legislation as well as expectations of various stakeholders, particularly civil society organisations and unions. Despite this variation, there are similarities across sectors around the challenges to disclosure identified by companies, and growing practice suggests these challenges can be overcome.
OECD-FAO Roundtable on Responsible Agricultural Supply Chains: Emerging practice

Due diligence in agricultural supply chains is constantly evolving to address the wide range of impacts on society and the environment present in this sector. The OECD-FAO Roundtable examined how companies at different stages of the value chain implement the OECD-FAO Guidance on Responsible Agricultural Supply Chains, looking at current practices and drawing from initial findings of the pilot project carried out by the OECD and FAO with over 30 companies and industry initiatives. Topics included traceability and leverage in the supply chain, going beyond audits and certification, and assessing food and nutrition risks in agriculture supply chains.

The objective of the baseline survey was to help pilot organisations understand where they stand with respect to the OECD-FAO Guidance recommendations. Approximately 30 companies including retailers, Fast-Moving Consumer Goods (FMCG), input suppliers, investors and producers as well as industry initiatives are part of the pilot, which will continue through mid-2019. Early findings from the baseline survey suggest that while most pilot companies have comprehensive policy commitments in place gaps remain in implementing and living up to these commitments. Companies also need to better engage with stakeholders to define feasible expectations around supply chain mapping and traceability. Agri food/non-food companies are also heavily dependent on third party systems, and should strengthen their involvement in the due diligence process while working with third parties.

OECD-RBA workshop on Due Diligence

Overview of evolving due diligence standards and expectations from a business perspective: implementation in practice

The joint workshop between OECD and the Responsible Business Alliance (RBA) attracted practitioners across sectors and leading companies to discuss the practical implementation of due diligence and emerging issues, such as whether governments should introduce regulation on due diligence and how such regulation should be shaped. As part of the workshop, in-depth roundtables were organised to discuss practical approaches to challenging aspects of the due diligence process such as: risk prioritisation, use of leverage to drive change, due diligence in the supply chain (moving beyond tier 1) and stakeholder engagement.
RBC Roundtable for Policy Makers

The Roundtable for Policy Makers, provides a space for dialogue among policy-makers responsible for designing and implementing policies to enable and promote RBC. It is designed to address concrete policy challenges and allow participants to exchange experience and discuss ways to effectively design, promote and implement policies and instruments to promote RBC. This year’s Roundtable included a session organised jointly with the UN Working Group on Business and Human Rights, focussed on National Action Plans (NAPs) on Business and Human Rights and RBC; and one on the role of NCPs and national human rights institutions in RBC policy making. Afterwards closed sessions also looked at themes such as RBC in government procurement practices, its links with development finance and sustainable development policy, as part of deep-dive sessions.

National Action Plans: addressing gaps and enabling policy coherence on responsible business conduct

Experiences from Belgium, Italy, Japan and Thailand - countries who have finalised a NAP and those who are in the process of developing one – show the importance of baseline assessments to identify gaps and priorities, though different models and approaches are available for such baseline assessments. With regard to stakeholder involvement in NAP processes, discussants emphasised the need to accurately map the stakeholders with whom to engage, and to carefully determine the various stages of the NAP process when stakeholders should be involved. Issues of implementation and follow up of the NAP were also addressed, such as difficulties arising when different levels of government in federal states are responsible for separate actions.

The role of National Contact Points and National Human Rights Institutions in RBC policy making

National Contact Points and national human rights institutions (NHRIs), can fruitfully engage in relation to RBC policy making, even though their mandates and institutional structures differ. Representatives from Chilean, Moroccan and New Zealand authorities (NCPs, NHRIs, government) presented various types of engagement models between the NCPs and NHRIs: ranging from formal arrangements through the signing of an MoU for cooperation between the NCP and NHRI (Chile) or the inclusion of the NHRI in the decision-making body of the NCP (Morocco), to more informal engagement on specific issues, like in New Zealand. All speakers highlighted that cooperation under all these models provides numerous benefits including the sharing of expertise, a wider reach to stakeholders and increased visibility within government.
Partner Sessions

Business Support for Civic Freedoms and Human Rights Defenders: Emerging Initiatives and Actions
Organised by the Business & Human Rights Resource Centre

Global pressures on civil society and attacks on human rights defenders pose both challenges and opportunities for responsible business. Companies across a range of industries are taking the initiative to support the fundamental civic freedoms that are fundamental to rule of law and accountable governance and of profitable, sustainable business environments. This session addressed this emerging agenda from the perspective of industry, civil society, trade union, and UN Working Group on Business and Human Rights.

Due diligence: The role of trade unions and NGOs
Organised by Trade Union Advisory Committee to the OECD and OECD Watch

The involvement of trade unions and NGOs is essential for due diligence to be effective. The OECD Due Diligence Guidance for Responsible Business Conduct underlines the importance of meaningful stakeholder engagement throughout the due diligence process, including in identification of harm, prevention and mitigation, monitoring, and providing access to remedy. This session explored two aspects of the role played by trade unions and NGOs: in legislative and policy developments in home countries and in company agreements and monitoring in host countries.

Accountability and Remedy
Organised by the Office of the United Nations High Commissioner for Human Rights

This session presented findings from the OHCHR Accountability and Remedy project on the role of non-judicial mechanisms, such as the NCPs, in providing access to effective remedy. It focused on specific steps drawing from good practice responding to the effectiveness criteria of the UN Guiding Principles on Business and Human Rights, on how to enhance the role and functions of these mechanisms.

Investor engagement in combating climate change
Organised with OECD Watch

This session presented case studies of investors using shareholder resolutions to promote consistent action on climate change. Experts discussed various approaches investors can take to support climate goals including exclusionary policies, best in class investment strategies, ESG integration, active ownership and stewardship as well as establishment of thematic funds and impact investing. Particularly the session presented a case study of investor engagement to discourage support of industry associations whose activities are misaligned with company climate policies.
At present climate risk exposure across financial portfolios is still extremely significant and engagement on this issue by mainstream investors remains limited. The potential power of capital to shift behaviours and help achieve climate goals was emphasised. However, in order to harness this potential, there is a need to change mentalities and corporate culture on these issues in the financial sector.

**The OECD Guidelines and the NCP System: Successes and Challenges**

The outgoing Chair of the OECD Working Party on Responsible Business Conduct, Roel Nieuwenkamp, shared his views highlighting the successes in implementing the OECD Guidelines and the NCP system, and on the challenges that lie ahead. Notwithstanding the strengthening of NCPs and the successes of NCPs in a number of cases, he remarked that performance is uneven across NCPs and improvement is needed to ensure stakeholder confidence in all NCPs and to guarantee adequately resourced NCPs. Besides implementation, which should therefore be a priority moving forward, he provided an outlook on future initiatives which could include updating the Guidelines, adapting the Procedural Guidance and simplifying the language of RBC instruments.

**Launch of the publication 40 Years of the OECD Guidelines for Multinational Enterprises**

This session launched the publication “40 Years of the OECD Guidelines for Multinational Enterprises”, a collection of reflections from leading experts in the field of responsible business conduct. Developed to celebrate the 40th anniversary of the OECD Guidelines for Multinational Enterprises in 2016, this publication provides an overview of how the landscape of responsible business conduct has evolved over the past 40 years and considers where it is heading in the future. Leading contributors to the publication introduced it and discussed insights provided by the various authors. ¹

¹ This publication is [available for purchase](http://mneguidelines.oecd.org).