



## ADDRESSING SEVERE HUMAN RIGHTS IMPACTS IN GLOBAL SUPPLY CHAINS

Wednesday 8 June 2016, 2:30pm-4:00pm, OECD Conference Centre CC1, Paris

### SESSION NOTE

Several cases of severe adverse impacts on human rights in global supply chains have been reported in recent years, in particular in the food and fishery sectors. Among child labourers aged 5-17, over half work in agriculture, and two thirds of these as unpaid family workers.<sup>1</sup> In the United States, lawsuits have been filed against one of the world's largest food producers and a large retailer over allegations of forced child labour.<sup>2</sup> Some industrialised countries – e.g. Ireland, the Republic of Korea, New Zealand, the Russian Federation, and Scotland – allegedly practice forced labour among fishers.<sup>3</sup> Thailand, one of the world's leading seafood exporters, has been subject to particularly intense attention for its labour practices in the fishing industry. Various reports and anecdotal evidence point to various deficits in different stages of production, ranging from relatively “simple” issues, such as not granting sick leave or holiday pay, to gross abuse and exploitation, as in outright forced labour and human trafficking.<sup>4</sup> Last November, Nestlé publicly recognised that it had found forced labour in its supply chains in Thailand, marking an important turning point in company disclosures on non-financial risk and showing a willingness to collaborate to address systemic risks in global supply chains.<sup>5</sup>

Following long discussions on the nature and scope of business responsibility with regard to human rights, the [OECD Guidelines for Multinational Enterprises](#) and the UN Guiding Principles on Business and Human Rights clarified in 2011 that the corporate responsibility to respect human rights extended to business relationships. Enterprises are expected to use their leverage when they are directly linked to serious abuses of human rights.

Many companies – either on their own or in collaboration with peers or stakeholders – strive to address adverse impacts on human rights in their supply chains but find it challenging. To help enterprises identify and address the adverse impacts of their operations on human rights and promote the effective observance of the [OECD Guidelines for Multinational Enterprises](#), the OECD has developed the following sectoral due diligence guidance:

- The [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas](#) was approved in 2011 and is referenced in legislation in the US, DRC, Rwanda,

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<sup>1</sup> ILO (2011), Unleashing rural development through productive employment and decent work: Building on 40 years of ILO work in rural areas, Paper to the Governing Body's Committee on Employment and Social Policy, March 2011.

<sup>2</sup> <http://www.independent.co.uk/news/world/americas/nestle-is-being-sued-for-allegedly-using-child-slaves-on-cocoa-farms-a6806646.html> and <http://business-humanrights.org/en/nestl%C3%A9-cargill-archer-daniels-midland-lawsuit-re-c%C3%B4te-d'ivoire>.

<sup>3</sup> ILO (2016), Global supply chains : insights into the Thai seafood sector / Lorenza Errighi, Ivanka Mamic and Birgitte Krogh-Poulsen ; ILO DWT for East and South-East Asia and the Pacific – Bangkok.

<sup>4</sup> ILO (2016), Global supply chains : insights into the Thai seafood sector / Lorenza Errighi, Ivanka Mamic and Birgitte Krogh-Poulsen ; ILO DWT for East and South-East Asia and the Pacific – Bangkok.

<sup>5</sup> <http://www.theguardian.com/sustainable-business/2016/feb/01/nestle-slavery-thailand-fighting-child-labour-lawsuit-ivory-coast>.

Burundi, and the EU (pending). It focuses in particular on serious abuses of human rights, including forced labour, the worst forms of child labour and widespread sexual violence. The implementation programme involves 500+ stakeholders;

- The [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) helps enterprises observe major international standards of responsible business conduct along agricultural supply chains, including those on human rights. It was officially launched on 11 March 2016. It is being implemented through various activities, including a pilot project to allow enterprises to road-test it;
- The forthcoming [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#) establishes a common framework for supply chain due diligence in the garment and footwear sector. It focuses, amongst others, on child labour, sexual harassment, gender-based violence and forced labour. The public consultation ended in April 2016 and the guidance will be finalised by the end of 2016.

While significant efforts have been made to reduce adverse impacts on human rights in global supply chains, more needs to be done to support enterprises in undertaking due diligence and put OECD sectoral guidance into practice. The session *'Addressing severe human rights impacts in global supply chains'* will explore challenges, practical ways and lessons learned to identify, prevent and mitigate such impacts. It will highlight existing initiatives to address these impacts and identify areas where further efforts are needed. As such, it will inform the implementation of OECD sectoral guidance.

The following questions will be discussed:

- What are the greatest challenges in addressing impacts on human rights in global supply chains?
- What tools can help address such adverse impacts?
- What is the role and experience of governments and enforcement agencies?
- What further efforts should be made to address those impacts more effectively?