



GLOBAL FORUM ON RESPONSIBLE BUSINESS CONDUCT

19 May & 17 June 2020

SUMMARY REPORT

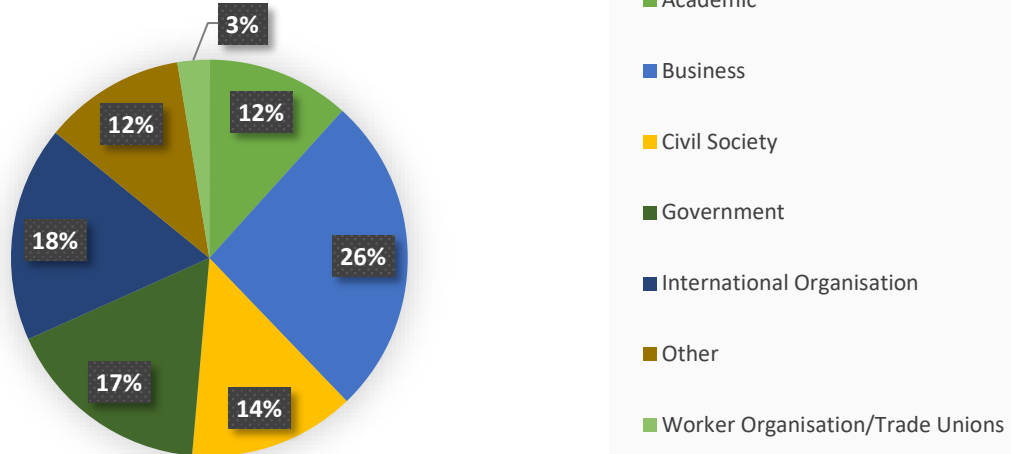
The 2020 [OECD Global Forum on Responsible Business Conduct](#) (GFRBC) was organised as a virtual event. To accommodate this new format, the meeting was held on two separate days in May and June.

Part I focusing on the implications of **Responsible Business Conduct (RBC) and COVID-19** was held on 19 May 2020. Part II focusing on **Access to Remedy** to celebrate the 20 years of the OECD National Contact Point system, was held on 17 June 2020. A separate partner session on the **Environment and due diligence** was held on 25 June 2020.

The Forum attracted a wide and diverse audience – over 2 000 people from 130 countries participated in the Forum. Overall, the Forum generated over 6 000 session views. Many high-level speakers from government, business, civil society, unions and international organisations helped ensure an excellent level of discussion.

Concerns that a virtual event would be less interactive than an in-person event were unfounded as audience members engaged readily with questions and comments using the virtual format. This added to the energy of the discussions and reflected the relevance of themes to attendees.

GFRBC 2020 Attendees



All the sessions of the 2020 Global Forum on RBC are available at <https://oecd-events.org/oecd-forum-rbc>

[Agenda](#) | [Website](#) | [COVID-19 and RBC](#) | [Replay](#) | [20 Years of NCPs Infographic](#)

Part I: Responsible Business Conduct (RBC) and COVID-19

Part I of the 2020 Global Forum on Responsible Business Conduct explored how governments and businesses can use an RBC approach to address the COVID-19 crisis and build more resilient supply chains. OECD Secretary General Angel Gurría opened the Forum and EU Trade Commissioner, Phil Hogan, gave the keynote address. The high number of attendees, along with the active involvement of participants, reflected the high interest in the topic. Attendees were a cross-section of stakeholders including OECD experts, policy makers; business leaders from a range of sectors; investors; unions and worker representatives; civil society and experts from the EU Parliament, UN Working Group on Business and Human Rights, the International Labour Organization (ILO), the International Finance Corporation (IFC), the World Resources Institute (WRI) and others.

Opening session: Promoting business responsibility in a post-COVID world

The COVID-19 crisis has dramatically disrupted business as usual and exposed major vulnerabilities in the economy and global supply chains linked to conditions of work and disaster preparedness. The opening session reflected the views of thought-leaders from government, industry, the investor community and worker representatives to discuss the systemic issues that exacerbated the COVID-19 crisis and the role that RBC can play in improving resilience of global supply chains. It discussed how global responses, including through international trade can contribute to achieving broader policy goals, including implementation of the Sustainable Development Goals, the Paris Climate Agreement and the EU Green Deal.

Key takeaways:

- In the wake of COVID-19 it will be important to keep trade open and transparent and make supply chains more resilient. Responsible business conduct and due diligence can help manage risks, avoid overlapping expectations and integrate interests of workers, society and the planet into the operations of global supply chains.
- The crisis is proving that a “new normal” is possible and is it an opportunity to challenge existing business and economic models which encourage short-termism, drive unfair competition and deploy capital to activities which are harmful for society and the environment.
- We need to build back better. To withstand future shocks caused by climate change or another pandemic, recovery plans must be based on a social contract that protects workers and includes basic social protections for people.

Session 1: Innovative engagement to promoting responsible and resilient supply chains

The COVID-19 crisis has raised questions on systemic RBC vulnerabilities in global supply chains linked to conditions of work and disaster preparedness. This session explored the role of partnerships among government, civil society, and private sector actors in the short-term response to, and the long-term recovery from, the crisis. The panel discussed how RBC, including through on-going supplier and worker engagement, can build stronger, safer and more resilient supply chains.

Key takeaways:

- In times of crisis knowing your supply chain is crucial for responsible management. Companies with due diligence systems in place, including risk-based mitigation strategies and stakeholder engagement, are generally better at weathering crises.
- Companies need to be flexible to manage crises, but this should not come at the expense of company sustainability standards. It is important to be transparent on due diligence related decision-making and explain how priorities are addressed and supplier relationships are managed.

- A whole of supply chain approach is necessary. Supply chain actors and stakeholders need to collectively develop sustainable, impactful solutions. Collective action needs to be supported through enforcing existing laws and providing financial support. Multi-industry partnerships can help by providing funds, due diligence data, setting expectations with regards to audits, and engaging with stakeholder groups. Collective action is necessary but not sufficient; companies are ultimately individually responsible for their business conduct.

Session 2: Building value: The role of RBC in government support and recovery packages

Many governments and international financial institutions have adopted packages of fiscal measures to support companies through the crisis and help them recover. Many of these packages are linked to RBC objectives (e.g. social dialogue, worker protection, corporate governance, environmental performance). This panel focused on the inclusion of RBC requirements and incentives in the numerous packages of fiscal measures that governments have put in place to support enterprises during the COVID crisis and help them recover in its aftermath. Such measures have included loans and loan guarantees, deferments or cancellations of tax and social security payments, partial unemployment schemes, bailouts, etc.

Key takeaways:

- Governments should include specific and concrete requirements, expectations, conditionality reflecting RBC considerations into their response and recovery packages; this can also help ensure transparency and accountability of business performance.
- Government recovery packages should embed incentives for innovation, new investment (particularly in initiatives such as the EU Green Deal) and supply chain resilience.
- Government recovery packages should effectively engage with and represent the interests of businesses, trade unions and civil society to achieve a more sustainable and inclusive business agenda going forward.

Session 3: The role of Responsible Business Conduct in times of crisis

The session focused on policy coherence with respect to the OECD Guidelines for Multinational Enterprises, the UN Principles on Business and Human Rights, the ILO Tripartite Declaration on Multinational Enterprises, and the contribution of an RBC approach to resilience after COVID-19. The speakers stressed the responsibility of governments and business to (continue to) use the existing standards in order to identify, mitigate, and prevent harm throughout supply chains, not only in the first (emergency) phase of the COVID-19 crisis, but for example reinforcing safety and health measures for their employers, but also during its recovery phase.

Key takeaways:

- International standards are crucial to achieve a more equitable and sustainable recovery from the COVID-19 crisis. Human rights, labour rights, and climate change cannot be separated. An approach that combines these elements in a coherent way is the way forward if we want to prevent the next crisis and mitigate its impact.
- RBC standards apply in full when responding to the COVID-19 crisis. Governments and businesses should not use a “light” version of the standards. Policy coherence by aligning the crisis response with international RBC standards is key for addressing future crises. RBC is not a discretionary add-on but needs to be an integral part of the crisis response. Challenges to coherence remain. These include the lack of instruments to apply the standards, the slow reform of the financial sector, the lagging integration of respect for human rights in public procurement, the need for more stakeholder involvement against a background of growing inequality, and the urgency to make a more explicit link between climate change agreements and due diligence standards.

Side session: Learning from the COVID-19 crisis to build more resilient garment supply chains in Asia

This session explored how the economic fallout from the COVID-19 pandemic has exposed vulnerabilities in garment supply chains linked to conditions of work and disaster preparedness, with immediate and serious consequences for millions of workers, including in Asian garment-exporting economies. As governments and business plan for the recovery phase, applying an RBC lens can help address these vulnerabilities to create a more resilient value chain, which protects workers and the environment. The panel included speakers representing industry associations, government and trade unions in Asia, a multi-stakeholder Initiative (MSI) with global brands in its membership, and UNEP.

Key takeaways:

- Partnership is needed across the supply chain at every level. This should fully integrate a due diligence approach via purchasing practices and collaboration to address and mitigate negative impacts.
- Workers should be at the centre of business decisions. Social dialogue with workers should be prioritised and built into core business models.
- Manufacturers are reacting to the business impacts by turning to innovation and market diversification to build greater resilience. This includes considering different products and promoting non-traditional markets such as BRICS to reduce overreliance on traditional markets and consumers.
- Governments have a key role to play particularly in times of crisis. A smart mix of tools to build coherence and a level playing field is needed more than ever.

Partner-led session: Protecting the most vulnerable and incorporating gender into the response to COVID-19 **Co-organised by OECD Watch and SOMO**

The COVID-19 crisis and the governmental and economic response have impacted vulnerable workers and communities “deep” in the supply chains. Women in particular are affected differently, often more severely, than men. There is an urgent need for the response of governments and companies to be gender sensitive, to focus on protecting the most vulnerable workers and communities, and to support sustainable economic models that will generate more resilience to future crises. This can be achieved by including sustainability/RBC conditions on bailouts and implementing mandatory due diligence legislation.

Part II: Responsible Business Conduct and Access to Remedy

Part II of the 2020 Global Forum on Responsible Business Conduct explored the current landscape of Access to Remedy to address business-related impacts and was an opportunity to mark the 20th anniversary of the National Contact Points (NCP), set up under the OECD Guidelines for Multinational Enterprises. OECD Secretary General Angel Gurría opened the Forum with a recorded message highlighting the centrality of access to remedy in RBC, especially in these times of crises, as well as some of the achievements of NCPs over the last 20 years. He also noted some of the challenges NCPs continue to face.

Opening session: The landscape of remedy and dispute resolution: where are the gaps and what are the opportunities?

Today various mechanisms and means of dispute resolution exist to resolve issues between parties and enable remediation. In addition to traditional legal processes these can include operational level grievance mechanisms, state-based alternative dispute resolution mechanisms, and collective bargaining arrangements. The variety of remediation mechanisms reflects both the need for approaches that are fit for purpose and attempts to respond to gaps in the global remedy landscape. This session explored some of the leading models and how the remedy landscape can be further strengthened.

Key takeaways:

- The landscape of remedy and dispute resolution has significantly improved in recent years, but many challenges remain. Low levels of awareness and understanding of existing mechanisms, high costs of legal systems, absence of collective redress or the complexities around transnational litigations are today critical barriers for access to remedy.
- Non-judicial mechanisms can play an important role in addressing these challenges and in providing access to remedy, but they need to be strengthened. Governments should play a more active role in creating and enabling a regulatory environment to make non-judicial mechanisms more effective and to strengthen the complex and dynamic links that exist between judicial and non-judicial tools.
- National Contact Points (NCPs) offer a flexible non-judicial grievance mechanism: they can create tailor-made solutions for the parties and do not have the burden of proof that legal mechanisms have. NCPs provide a level playing field to address power imbalances. However, NCPs should be strengthened by providing them with more financial resources, qualified staff, mediation training. More co-ordination among NCPs is also crucial.
- Independent accountability mechanisms represent a valuable means to raise grievances and get harm addressed when dealing with Development Finance Institutions. Yet, they face issues like power imbalances, lack of information, or communities not understanding the eligibility requirements. A stronger commitment from institutions is needed, as many still lack these mechanisms.

Session 1: In conversation with leading grievance mechanisms

This session addressed key themes in addressing remedy, dialogue and accountability. It offered an opportunity to find common threads across different grievance mechanisms and understand lessons learnt from a wide variety of case-handling approaches. The panel also discussed what the coming years will hold for these mechanisms.

Key takeaways:

- A crucial element to all grievance mechanisms is the need to build trust between the parties and the mechanism but also between both parties. The procedure and possible outcomes must be understood beforehand to help build party capacity that will secure engagement and an informed decision process. Provision of additional expertise when required can also help level the playing field and address the power imbalances that come with risks for complainants. The mechanism must uphold and maintain independence to build trust and ensure accountability.

- Fear of reprisal is a major obstacle to accessing remedy. It is important to understand how the need to ensure safety of people or communities can be operationalized, to take into account local context and understand and share lessons learnt. The creation of a safe space for engagement is case dependent; as complainants must define what they believe is appropriate.
- A clear distinction was made between compliance and mediation. Mediation depends on the willingness of both parties. Both process can be distinct or complementary, as mediation can help determine the facts and dialogue on the nature of the problem and how it can be resolved in the first place.
- The need of increased partnership and collaboration across all types of grievance mechanisms was emphasised. Platforms and networks should be developed to encourage exchange of (good and bad) practices and learnings to improve effectiveness of each procedure. All mechanisms grow by learning from their own experience and from experience of other mechanisms.

Session 2: Considering access to remedy from a company perspective

This session focussed on lessons learned from company representatives on building and running effective operational-level grievance mechanisms and participating in remediation procedures. It offered an opportunity to address what works and what does not in the context of remediation mechanisms. Company representatives shared concrete experiences of handling grievances or participating in remediation processes and the keys factors for success.

Key takeaways:

- Grievance-level mechanisms are not an end in itself, but rather a means to an end. Effective grievance-level mechanisms are a fundamental tool to undertake due diligence and provide remedy. Contextual factors may inform the exact configuration of the grievance mechanism in order to maximise its effectiveness, however principles of non-retaliation, accessibility and accountability need to be applied across the board.
- Top-down monitoring (for example via third-party audit mechanisms) should be complemented by bottom-up approaches through the involvement of stakeholders such as trade unions, human rights defenders and national commission on human rights.
- Common challenges for effective operational-level grievance mechanisms include the need to train and liaise with different job functions within the company, ensuring that effective grievance mechanisms are deployed at subsidiaries and beyond first-tier suppliers across the supply chain, as well as using them to focus on remedy of actual harm beyond just risk mitigation.
- Small and medium-sized companies may find it challenging to establish the same grievance-level mechanisms as large companies. Focusing on establishing accessible systems, enhancing their credibility, and training managers are the first step to progressively make existing grievance-level mechanisms more effective. Industry associations may also provide helpful tools, share best practices and support companies in establishing effective grievance-level mechanisms.

Session 3: How do we define effectiveness and measure success of grievance mechanisms?

This session explored the notion of effective grievance mechanisms and ways to meet and manage expectations regarding remedy from the point of view of the submitter and of the company. Questions addressed related to measurement (what are benchmarks for success in various grievance mechanisms?), methodology (what are the tools to monitor such mechanisms?) and outcomes (what does a good outcome look like?).

Key takeaways:

- To define and measure the effectiveness of grievance mechanisms, it is important not only to appreciate whether or not they are able to handle claims in a timely and appropriate manner, but also whether they are able to deliver an outcome that corresponds to an actual remedy.

- Parties to a grievance mechanism must be convinced they have something to gain from the process in order to participate constructively. Mediators must build trust and persuade the parties to take the necessary time to talk in a setting and arrangement in which they are on equal footing.
- Fundamentally, grievance mechanisms should be able to deliver remedy in an impartial, transparent and timely way. Achieving this has often been elusive in practice. Whether or not mediation is successful, transparency is important to recognise the effort and risks the complainant may have taken by bringing its case before the grievance mechanism.
- Recent research suggests that most companies have some form of grievance mechanism, but relatively few have systems that are more advanced than baseline expectations.

Closing session: Where next for access to remedy and the National Contact Points for RBC?

The closing panel built on discussions in earlier panels to reflect on how to continue strengthening access to remedy in the years to come, and in particular, the system of National Contact Points (NCPs) for RBC, as it enters into its third decade of existence. It addressed issues such as the relationship between remedy and mandatory due diligence, how are expectations of users of grievance mechanisms likely to change in the coming years, and cooperation between different mechanisms.

Key takeaways:

- The commitment from the private sector to support the NCP mechanism is strong, but change remains slow. Some companies remain reluctant to formally engage in good office processes offered by NCPs. Governments need to provide political and financial support to NCPs to ensure they function adequately.
- The issue of convergence and functional equivalence was again highlighted as a key objective, to ensure a level playing field and ensure some sort of precedent-setting system. The suggestion was made that NCPs could consider grouping regionally, to foster the efficiency of the system. The upcoming revision of the OECD Guidelines for Multinational Enterprises could provide a good opportunity to start the process, focusing in particular on the procedural guidance for NCPs.
- The NCP mechanism should strive to develop more links and cooperation with the formal judicial system and with other non-judicial structures such as National Human Rights institutions. The need for some form of enforcement mechanism for the future was suggested. Stakeholders need more than access to remedy, they need actual, effective remedy.

Side Session: Partnering to Enhance Access to Remedy: Lessons from Asia

This session explored how multi-stakeholder engagement can help enhance access to remedy, drawing from practical experiences from Asia. Panellists shared approaches that have worked for establishing and running effective mechanisms for grievances and provide access to remedy, as well as common features of effective mechanisms.

Key takeaways:

- Having functioning grievance mechanisms in place does have a large impact on labour and human rights for workers and affected communities, and it is important to involve workers and affected communities in its design.
- Businesses are recognising the value in having well-functioning work-placed grievance mechanisms.
- Common features of grievance mechanisms that work in practice include: accessibility (the mechanism is known and accessible to workers and affected communities), predictability (expectation that grievance will be followed up), transparency (complainants will be kept informed), and safety (complainants will be protected from reprisals and retaliation). This is important especially given the vulnerability of many workers
- Governments operating state-backed grievance mechanisms can make dialogue with organisations representing workers and affected communities a standard procedure (for example in National Action Plans on Business and Human Rights) and this will help build trust.

Partner Session: Making Remedy Enforceable: Mandatory due diligence legislation and the right to remedy

In the wake of corporate human rights and environmental abuses, victims continue to face significant obstacles to justice and remedy and are often to cover the financial costs associated with seeking redress. Under international agreements (e.g. UNGPs Pillar III) States are required to improve access to judicial remedy for victims in their territory and those harmed by companies domiciled in their territory. This session discussed the emerging trends in this area and ways which new mandatory due diligence laws being developed in Europe and elsewhere can ensure effective access to remedy for the victims of corporate abuse.

Link forthcoming

Partner Session: Building environmental resilience and responding to global crises through supply chain due diligence

Held in partnership with the Germany Environment Agency (UBA) and the United Nations Environment Programme (UNEP) on 25 June, this session explored recent trends and policy developments related to environmental supply chain due diligence. Panellists discussed RBC expectations in addressing environmental challenges, including global crises such as climate change, deforestation and biodiversity loss. Participants heard from both the German Environment Agency and Japan's Ministry of Environment on respective policy initiatives as well as business representatives and experts on current practices and opportunities across regions.

Key takeaways:

- The German Environment Agency is developing a guide for companies to better integrate environmental risks into supply chain due diligence processes, with a focus on the minerals sector. Japan's Ministry of Environment is in the process of finalising a cross-sectorial guide on environmental due diligence in global value chains. These practical tools help companies and policy makers avoid creating silos in the context of supply chain due diligence and risk management, thereby enabling a comprehensive approach that captures links between environmental sustainability issues with other areas of risk, including human rights, integrity, and supply chain resilience.
- The OECD Due Diligence Guidance for Responsible Mineral Supply Chains (the Minerals Guidance) and the OECD Due Diligence Guidance for RBC offer internationally recognised frameworks for addressing supply chain risks and supporting the development of practical tools such as those referred to above.
- One key challenge is transparency. Investors want to have information on concrete actions by business as part of environmental due diligence across supply chains. Companies can do more to publically report on their supply chain due diligence in the context of environmental considerations.
- UNEP and the OECD emphasised the importance of collective efforts to ensure that environmental supply chain due diligence expectations and standards align. The partnership between UNFCCC, OECD and UNEP on RBC and the environment (with a focus on climate change, biodiversity and circular economy) is a valuable contribution, particularly having regard to increasing trends in incorporating environmental and human rights due diligence into voluntary approaches and mandatory regulations.