



PROACTIVE AGENDA FOR RESPONSIBLE BUSINESS CONDUCT

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Sector-specific due diligence

OECD is the only international organisation with instruments and dedicated expertise on RBC due diligence



[OECD Due Diligence Guidance for Responsible Mineral Supply Chains](#)



[OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#)



[OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)



[OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector](#)



[Responsible Business Conduct in the Financial Sector](#)



Proactive agenda: What makes it unique?



- ✓ Demand driven
- ✓ Backed by 46 governments
- ✓ Developed through multi-stakeholder approach
- ✓ Whole of supply-chain approach



OECD Due Diligence Guidance for Responsible Mineral Supply Chains



What makes it unique?

- ✓ First government supported sector-specific supply chain due diligence guidance
- ✓ Referenced in legislation in the US, DRC, Rwanda, Burundi, and the EU (pending)
- ✓ Highly advanced implementation program involving 500+ stakeholders

Where are we now?

- Workshop on Responsible Mineral Supply Chains, December 1-2, Bogota Colombia
- Assessment of industry implementation efforts (on going)
- Outreach and training in Great Lakes region (DRC, Rwanda etc.), China, West Africa, Colombia, Middle East, Latin America, India etc.
- Ongoing peer-learning and knowledge sharing (audit programme development, worst forms of child labour, risk mitigation)
- ASM gold mining hub and including the informal sector
- Etc...



OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector



What makes it unique?

- ✓ Explains relationship between due diligence and stakeholder engagement
- ✓ Risk-based approach to stakeholder engagement
 - Primary objective avoiding adverse impacts to stakeholders
 - Managing risks with regard to stakeholder engagement activities themselves
- ✓ Monitoring and evaluation framework for stakeholder engagement activities

Where are we now?



- Guidance and Council Recommendation on Guidance approved in 2016.
- Promoting the Guidance through international events and communications (workshops in Lima and Bogota, 2016).



OECD-FAO Guidance for Responsible Agricultural Supply Chains



What makes it unique?

- ✓ Joint OECD-FAO product
- ✓ Unification of leading international standards on RBC in agriculture (OECD Guidelines, CFS-RAI Principles, PRAI, VGGT, CBD, UNGPs etc.)
- ✓ Recognition of financial enterprises as part of the value chain



Where are we now?

- Guidance and Council Recommendation on Guidance approved in 2016.
- Promoting the Guidance through international events and communications



OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector



What makes it unique?

- ✓ Establishing a common framework for supply chain due diligence in the garment and footwear sector

Where are we now?

- Final draft for approval November, 2016.
- 3rd Roundtable and policy dialogue planned 8-9 February 2016.
- Workshop in Cambodia – December 6, 2016.
- Research on SME's and due diligence.





Responsible Business Conduct and the Financial Sector



What makes it unique?

- ✓ Translating the Guidelines for the financial sector
- ✓ Bridging gaps in understandings of key concepts in the financial sector and OECD Guidelines



Where are we now?

- Third draft of paper on RBC and institutional investment for review November, 2016
- Next phase of project planned for winter 2017



How is the proactive agenda used to promote the guidelines?



- Raising awareness and buy-in of industry
 - Proactive awareness of Guidelines amongst industry
 - Supporting promotional function of NCPs
 - Realistic recommendations and credibility
 - Ownership and uptake of OECD standards by industry
 - (e.g. independent promotion of OECD tools, incorporation of OECD tools into corporate policy and strategy).



APG
ABN AMRO
Barclays
Blackrock
ING
JP Morgan
NBIM
UBS
USCIB
USS
Manulife Financial
Bank of Tokyo
Union bank
MUFG



Adidas
BIAC
Business Social
Compliance Initiative
(BSCI)
China National Textile
and Apparel Council
(CNTAC)
Confederation of the
German Textile and
Fashion Industry
Decathlon
Euratex
Esquel
Gap
International
Organisation of
Employers (IOE)
International Apparel
Federation
Kering
Li & Fung
MODINT
Primark
Sustainable Apparel
Coalition
Walmart
The Walt Disney
Company



CCCMC
BIAC
ICMM
CAPP
Mining
Association of
Canada
PDAC
World Gold
Council
Anglo American
Cerrejon
CAMECO
Chevron
EUROMETAUX
Euromines
Vale



Aquila Capital Farms
SOMDIAA
EBG Capital AG
Stalwart Management
Consultancy Services
Sustainable Insight Capital
Management
Duxton Asset Management
Monsanto
BNP Paribas Asset
Management
BIAC
Yara
Datalab / Pantheon
Farming
Milltrust International
FoodDrinkEurope
Coca Cola
Ripplewood Advisors
Rabobank
Aquila Capital Farms
ECP International
SMBC Europe Limited
(Sumitomo Mitsui Banking
Corporation Europe)
Cargill
Crédit Suisse
ASEAN CSR network
UBS
Syngenta





How is the proactive agenda used to promote the Guidelines?



Association Connecting Electronics Industries®





How is the proactive agenda used to promote the guidelines?

- Raising the profile and capacity of NCPs.
 - Convening of relevant stakeholders through AG participation (15 NCPs involved in sector specific work).
 - Capacity development on substantive issues.
 - References to NCP mechanisms (e.g. UNPRI, AFLCIO Shareholder Resolution)



How is the proactive agenda used to promote the guidelines?

- Promoting coherent recommendations to challenging issues
 - Government-backed, multi-stakeholder developed, whole of supply chain approach
 - Avoid a proliferation of standards, provides model for government/industry initiatives



How does the proactive agenda contribute to outreach?

- Proactive agenda a tool for reaching non-adherents.
 - Current adherents cover most of the worlds investment flows but include only one of the **BRICS** countries.



Textile & Garment Sector Supply Chain

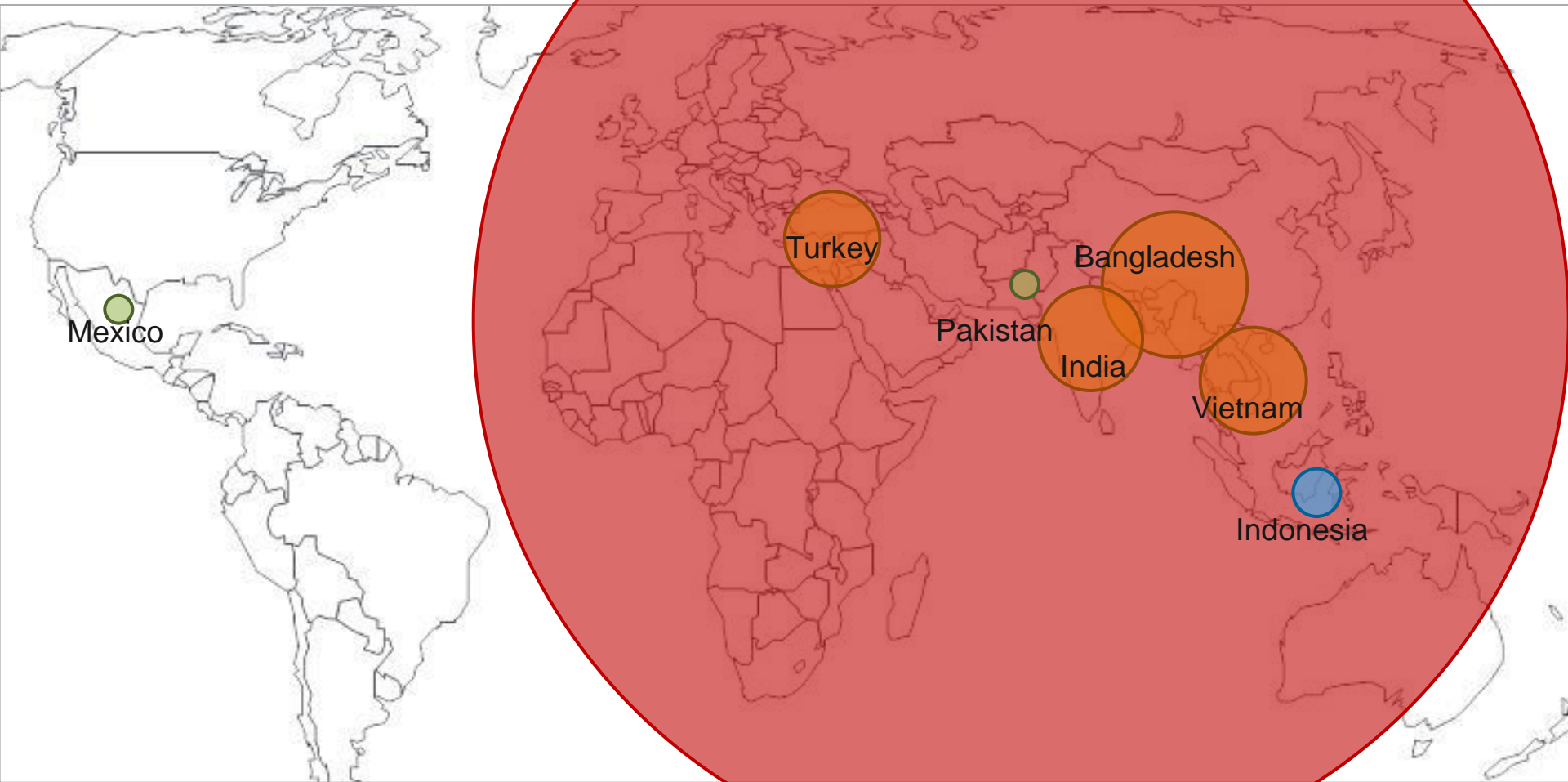
Clothing exports of selected economies 1990 (million dollars)





Textile & Garment Sector Supply Chain

Clothing exports of selected economies 2013 (million dollars)



Data Source: World Trade Organisation



Minerals & Outreach

- In 2012 over 64% of world oil production came from ten countries, adherents (Canada and the US) only comprise 13% of this production.
- Likewise the leading producers of global minerals are non-adhering countries.



Cooperation with the People's Republic of China



Minerals:

- ✓ [Mandarin edition](#) of the Due Diligence Guidance [available since May 2014](#)
- ✓ MOFCOM designated the China Chamber of Commerce Metals, Minerals and Chemicals (CCCMC) as key partner to work with the OECD on responsible business conduct in minerals
- ✓ OECD and CCCMC signed a [Memorandum of Understanding \(MOU\) on responsible mineral sourcing](#), to cover due diligence outreach in China and a tool to help Chinese companies operationalise the Guidance
- ✓ [Guidelines for Chinese companies, based on the OECD Guidance, **have been approved and published** during a dedicated workshop in China in December 2 & 3, 2015](#)
- ✓ [Mineral \(3TG\) specific guidance / audit protocols will be developed in 2016 through a multi-stakeholder process](#)

Textiles:

- ✓ Collaboration with CNTAC through Advisory Group
- ✓ Consultation with Chinese stakeholder on Textiles Guidance, December 2015.
- ✓ Chinese version of Due Diligence Guidance for Responsible Apparel Supply Chains



What's next...?

- Approval of the Due Diligence Guidance for Responsible Apparel and Footwear Supply Chains and launch of implementation plan.
- Finalization of RBC in investment, launch of RBC in asset-based finance and corporate lending.
- Continued implementation of the OECD Due Diligence Guidance on Responsible Mineral Supply Chains.
- Continued promotion of Due Diligence Guidance for Agriculture Supply Chains and Stakeholder Engagement in the Extractive Sector.
- NCP targeted trainings and workshops.

Thank you

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