



International
Labour
Organization



▶ Decent Work in Supply Chains

1st meeting of the G7 Employment Working Group
Tokyo, 8-9 February, 2023

Date:



▶ Decent work in supply chains: recent & upcoming developments

EU: Council of the EU agreed its position on Directive on Corporate Sustainability Due Diligence 1 December 2022 (Next step: European Parliament, position (plenary) expected May 2023)

Germany: *Lieferkettengesetz* in effect as of Jan 1

Canada: Bill S-211 to address FL/CL in supply chains expected to become law shortly

Japan: Guidelines on Respecting Human Rights in Responsible Supply Chains issued in September 2022

ILO: GB to discuss draft supply chains strategy March 2023

Fostering policy coherence for advancing decent work

- ▶ **ILO Global call to action, inequalities strategy, forthcoming supply chains strategy:** reflect consensus among Member States that ensuring sustainable, inclusive and resilient supply chains are essential for achieving human rights and decent work for all
- ▶ Many ILO Member States, including G7, agree that business has a duty to respect human rights and with the guidance of UNGPs, ILO MNE Declaration and OECD MNE Guidelines that businesses should identify, prevent, mitigate and account for their negative impacts in their own operations and supply chains
- ▶ G7 policy coherence can contribute to an international consensus around business and human rights that supports a global level playing field and **a coherent and coordinated approach to a smart mix of mandatory and voluntary measures**

▶ The smart mix and the ILO supply chains strategy

Tripartite-agreed building blocks call on using **all available ILO means of action** that reflect a **smart mix of national and international mandatory and voluntary measures**.

Elements constituting a “smart mix” in the ILO context:

- ▶ **International labour standards**
- ▶ Strengthened use of **MNE Declaration** and its operational tools (e.g. home-host dialogues)
- ▶ Focus on **enabling rights** of freedom of association & collective bargaining, including in EPZs
- ▶ **Research & knowledge agenda** to support constituents and stakeholders, including **data**
- ▶ **Development cooperation** that uses supply chains as an **entry point** to build national-level capacity & address constituents’ needs
- ▶ Engaging with multilateral system to pursue **policy coherence** around decent work in supply chains, to include work on **trade** as a tool to advance decent work, **transparency** in due diligence, and **labour provisions in trade agreements**

Supply chains & due diligence: means vs ends

- ▶ Mandatory Human Rights Due Diligence ≠ Responsible Business Conduct ≠ Decent Work
- ▶ **Risks to due diligence efforts**
 - Becoming a box-checking exercise
 - Lack of meaningful stakeholder engagement, e.g. social dialogue
 - Cascading requirements to poorly equipped SMEs
 - Without targeted assistance, mistrust of intentions
 - Risk of excluding vulnerable groups (e.g. home-based workers)
- ▶ For mandatory or voluntary measures **international labour standards** offer policy coherence & level global playing field
- ▶ **ILO approach:** supply chains can be an **entry point** to address **constituents' needs** and broader **decent work deficits**, applying guidance of ILS; **principles of ILO MNE Declaration** focus on potential **positive** impact of enterprises

▶ Opportunities for collaboration: ILO supply chains strategy

▶ Development cooperation

- **Social dialogue and collective action:** Support for/participation in tripartite national, home-host, and company-union **dialogues** foreseen by MNE Declaration
- **Collective action approaches** à la **Vision Zero Fund** incl. through **multi-donor efforts**
- **Support for resilience & capacity of SMEs** who may be affected by mHRDD/other due diligence efforts
- Labour administration/inspection & public-private collaborations
- **Sector-specific** approaches

▶ Opportunities for collaboration cont'd

▶ Policy coherence

- Greater focus on **enabling rights** in supply chains
- Emphasis on **social dialogue** and **meaningful stakeholder engagement** as due diligence tools of prevention and remedy
- Support ILO efforts to promote policy coherence and embed decent work & ILS within **international trade architecture** and through **trade & investment policy**

▶ Research and knowledge

- Support ILO investments in **data generation** & capacity-building