

Subject: Public Consultation on the Draft Recommendation on the Role of Government in Promoting Responsible Business Conduct

SLCP Contact: Tom Mason, tom@slconvergence.org

Amsterdam, 18th January, 2022

Dear OECD Working Party on Responsible Business Conduct,

SLCP (Social & Labor Convergence Program)¹ welcomes this public consultation on the draft Recommendation on the Role of Government in Promoting Responsible Business Conduct (RBC). We work with stakeholders throughout global supply chains (garments & beyond), including workers and suppliers who are adversely impacted by business activity. After a long period where regulation on business conduct was dominated by the private sector, there is increasing demand for governments to play a greater role. What that role ought to be is one of consistency across borders, and we believe a Recommendation by the OECD can help facilitate that.

On the Draft Recommendation, SLCP proposes four revisions:

1. Overall, **we welcome the Recommendation**. International frameworks have outlined the growing need for government involvement in creating more responsible business practice, however some state regulations and their enforcement mechanisms have been insufficient to ensure minimum standards of human rights & labor conditions are met.

We have seen many industry & multistakeholder initiatives (MSIs) active in this field in the past decades, with some more successful than others. While these can be harmonized and leveraged, a clearer role for governments is needed to effectively address the current human rights issues in global supply chains.

Moreover, while the preamble recognizes that governments are turning to legislation to promote responsible business conduct, we feel the overarching Recommendation could be **more specific on the need for states to develop and advance due diligence legislation to promote RBC**. In particular, **Section II** should encourage states to implement human rights due diligence, and that this legislation will only be effective in fostering RBC if states ensure compliance. While voluntary incentives like the OECD Guidelines play a critical role, they alone are not effective. This needs to be more clearly outlined.

2. **Consistency and harmonization between governments is paramount in ensuring RBC expectations are met throughout global supply chains**. The (potential) patchwork of legislation in Europe and beyond can be counterproductive in reducing the burden on supplier countries, as industry stakeholders have witnessed in the apparel & textile industries.² **Section VII** should explicitly recommend state alignment on (mandatory) human rights due diligence and corporate

¹ SLCP was created in 2015 with the vision of improving working conditions in global supply chains which continue to be under threat. As a Multi-Stakeholder Initiative (MSI) supported by over 250 Signatories, SLCP aims to do this through collaborative action. SLCP has developed the Converged Assessment Framework (CAF) which can be used to collect & verify data on labor and social conditions and reduce audit fatigue on facilities in the supply chain. To achieve SLCP's broader goal of improving working conditions, strong RBC standards will complement the CAF and increase the value of SLCP in delivering comparable, credible & actionable verified data to drive remediation and improvements.

² See, e.g. Jason Judd, Lowell Jackson (2021), Repeat, Regain or Renegotiate? The Post-COVID Future of the Apparel Industry, *NCP Working Paper No 2*, Cornell University.

non-financial reporting standards. This policy coherence should be based on existing OECD Guidelines and UN Guiding Principles, and the industry specific OECD Due Diligence Guidance's.

3. We particularly welcome **Section V** that adherents “promote stakeholder participation in the development and implementation of RBC policies”. As a multi-stakeholder initiative, we believe governments should support collaborative initiatives and policies.

Section V could go further and **explicitly include MSIs as a crucial avenue for promoting stakeholder participation**. The forum SLCP and other effective MSIs present in finding smart solutions for addressing RBC issues is unique, effective, and should be promoted to and by states.³

4. Governments should therefore endorse trusted and widely accepted MSIs which transcend borders in implementation. In order to maximize harmonization, the **implementation of human rights due diligence should be based on common, sharable, credible & actionable verified data**. This is something SLCP can provide to governments looking to implement due diligence effectively.

In light of these four comments, we request that the final Recommendation reflects these necessary improvements to ensure governments undertake their role in promoting RBC policies.

Thank you for your consideration.

Sincerely,

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³ See, e.g. Dorothee Baumann-Pauly, Isabelle W. Glimcher, (2021), *Seeking a 'Smart Mix': Multi-Stakeholder Initiatives and Mandatory Human Rights Due Diligence*, White Paper, Geneva Center for Business & Human Rights.