



Informal Ministerial Meeting on Responsible Business Conduct

26 June 2014

*Ministerial Communiqué on Responsible Business Conduct*¹

1. On the occasion of the OECD's second Global Forum on Responsible Business Conduct, we have gathered at the invitation of the Secretary-General for an informal Ministerial meeting on Responsible Business Conduct co-chaired by France and the Netherlands.
2. We congratulate the OECD for bringing together this impressive gathering of governments, business, trade unions and civil society to discuss the most pressing issues in the realm of responsible business conduct today. The importance of this issue is underscored by the recent one year anniversary of the Rana Plaza tragedy, one of the largest industrial disasters of its kind.

Promoting Responsible Trade and Sustainable Development Globally

3. We recall that the OECD Guidelines for Multinational Enterprises ("the Guidelines") represent a comprehensive set of government-backed recommendations for responsible business conduct in a global context. We invite all countries that have not yet done so to consider adhering to the Guidelines and to commit to their principles and standards in order to collectively contribute to sustainable development and a global level playing field.
4. We commend the National Contact Points (NCPs) for their efforts in promoting responsible business conduct, advising how the Guidelines apply throughout global value chains and also in providing an accessible and impartial platform for conciliation and mediation to resolve issues that arise relating to the implementation of the Guidelines in specific instances.

Promoting Responsibility for a Global Level Playing Field

5. Responsible business conduct enables enterprises to better contribute to economic development, sustainability, inclusiveness, social progress and to respect internationally recognized human rights and is therefore an essential component of a vibrant, competitive and transparent business environment. Governments have a role in promoting such conduct by providing adequate legal and policy frameworks, and by taking steps to ensure accountability and transparency. We support and encourage the development of company reporting on responsible business conduct and note initiatives taken by some countries to make it a legal requirement in certain situations.
6. Beyond our discussions, we warmly welcome the second Global Forum's contribution in highlighting challenges in the global supply chains of the textile and garment, extractive, agricultural and financial sectors. To promote responsible business conduct in agricultural supply chains we highlight the development of sector specific guidance in this field by the FAO and the OECD. Given the significant influence and presence of the financial sector within the global economy, we strongly recommend that financial institutions carry-out risk-based due diligence, as recommended in the Guidelines. We take note of the OECD's initial good work on this subject and support its continuation in a multi-stakeholder setting.

¹ Australia, Austria, Bangladesh, Brunei Darussalam, Denmark, Cambodia, Chile, Colombia, Costa Rica, the Czech Republic, the Democratic Republic of Congo, Finland, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Korea, Mexico, Morocco, Myanmar, Norway, New Zealand, the Russian Federation, Slovenia, Spain, Sweden, Switzerland, Turkey, and the United States.

Policy Coherence for Responsible Business Conduct

7. Responsible business conduct is correlated to several policy issues and should be used to ensure policy coherence and as a tool to provide a dedicated forum for collective actions between governments, business, trade unions and civil society. We encourage operational cooperation within global value chains specifically amongst producing, manufacturing and consuming countries with operations in high-risk areas. We welcome complementary efforts to promote the Guidelines and the UN Guiding Principles on Business and Human Rights, which both reflect the importance of risk-based due diligence to identify, prevent and mitigate risks.
8. There are strong links between trade and investment, protection of the environment, respect for human rights and high social standards. We encourage countries to give due consideration to the inclusion of social and environmental standards or guidelines in bilateral, regional and multilateral trade and investment regimes. This would be a key contribution in ensuring that social (including labour and human rights) and environmental commitments are effectively respected and promoted. A more responsible trade regime, which is respectful of social and environmental standards such as those promoted by the OECD, International Labour Organization (ILO) and UN, would be a decisive driver for sustainable development and competitiveness globally.
9. We further encourage governments to use development cooperation and development policy to support and promote a better business climate. Social and environmental standards should also be considered in the award of grants and public procurement contracts, as well as in government-backed lending, insurance and financing for business, where appropriate.
10. Policy coherence is also relevant for enterprises. Senior management should mainstream policies and practices on responsible business and involve all relevant departments, such as sourcing, compliance, risk, legal, and responsible business conduct, in this process, in all of their activities at home and abroad.

Promoting Responsible Supply Chains in the Textile and Garment Sector

11. We note with appreciation the ongoing work carried out by all stakeholders – governments, industry, workers, civil society and international organisations – to help ensure dignity, well-being, safety and decent conditions of work in the textile and garment sector since the tragic collapse of Rana Plaza last year. Governments, private enterprise and labour unions responded to this incident by seeking to build a sustainable sector in Bangladesh and to work together with a vision of shared responsibility to ensure that such a tragedy is not repeated. We welcome initiatives such as the Bangladesh Tripartite National Action Plan; the Sustainability Compact for Bangladesh² launched by the European Union (EU), the United States, the ILO and Bangladesh; the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety; as well as the impressive work of the ILO, such as the Better Work Programme in Bangladesh, supported by Canada, France, the Netherlands, Switzerland, the United Kingdom and United States. In this context, we applaud the complementary role played by NGOs and Trade Unions to support the Rana Plaza victims. This collective response shows that responsibility in this sector is shared and should be approached collaboratively by all stakeholders.
12. Additionally we welcome the initiatives of many NCPs and government agencies to promote responsible sourcing of garments and textiles. They provide a good basis to accompany the multilateral and private sector responses. We warmly welcome the in-depth report of the NCPs of France and Italy on the implementation of the OECD Guidelines in the textile and garment sector³

2 http://trade.ec.europa.eu/doclib/docs/2013/july/tradoc_151601.pdf

3 <http://www.tresor.economie.gouv.fr/File/398811>; Report on responsible business conduct in the textile and garment supply chain Recommendations of the Italian NCP on implementation of the OECD Guidelines for Multinational Enterprises. (June, 2014)

and the initiatives of Belgium⁴, Canada, Denmark, Germany, the Netherlands, Sweden, the United Kingdom and the United States. We also take note of the June 2014 and 2013 NCP Statements⁵ concerning this sector. We invite all stakeholders of the textile global value chain to duly consider the NCPs' recommendations to build safer and more responsible supply chains, in Bangladesh and beyond.

13. Although the progress achieved has been impressive, more remains to be done. We thank stakeholders for the contributions that have been made to date, but strongly call upon all stakeholders to deepen their respective efforts to build a sustainable sector in Bangladesh. Stakeholders should follow through in fulfilling all their respective commitments. In this regard, we acknowledge the Statement on compensation for Rana Plaza victims issued today by the governments of Denmark, France, Germany, Italy, the Netherlands, Spain and the United Kingdom. We reaffirm the importance of safe working conditions and respect for worker rights, and further acknowledge that ceasing sourcing in Bangladesh could exacerbate the situation for millions of workers, particularly women who make up the overwhelming majority in this sector.
14. The Guidelines offer a comprehensive tool to address major challenges in this sector. With this in mind, we welcome efforts to develop practical due diligence guidance specific to this sector, as the reports of the NCPs of France, Italy and Belgium have sought to do. We strongly encourage continued collaboration between the OECD, governments, ILO, other organisations, manufacturers and retailers, local suppliers, trade unions and relevant civil society groups in this endeavour. We look forward to the joint ILO-OECD Roundtable on Responsible Supply Chains in the Textile and Garment Sector, to be held at the OECD on 29-30 September 2014, and call on all relevant stakeholders to participate meaningfully to enhance the outcomes of the meeting.
15. Considering the relevance and utility of the coordinated approach being developed in Bangladesh, we invite governments and stakeholders in other textile and garment producing countries to move towards approaches similar to the above-mentioned initiatives in Bangladesh, while working with international organisations to strengthen the social dimension of trade. We underline the importance of adopting comprehensive approaches in shaping global economic and development policies for this sector, drawing on the Post-2015 Development Agenda.

Responsible Business Conduct in the Extractives Sector

16. Responsible investment in the extraction, processing and trade of minerals has the potential to generate growth, employment, prosperity and development opportunities. At the same time, responsible business conduct can be particularly challenging in the extractive sector given the risks related to environmental management, and the need to address human rights and conflict, corruption and weak fiscal management and impacts on local communities.
17. We therefore underscore the high utility of the OECD Guidelines and NCPs in addressing these challenges and risks. We encourage governments to strengthen their business climate and policy frameworks by integrating a social and environmental dimension to achieve closer alignment with international standards such as the Guidelines.
18. We also support existing initiatives and schemes which contribute to improving accountability, sustainable development, transparency and deterring corruption in the extractive industry, such the Extractive Industries Transparency Initiative,⁶ Kimberley Process,⁷ the Voluntary Principles on Security and Human Rights, the Africa Mining Vision and the Inter-Governmental Forum on Mining.
19. We take note that several related initiatives are driven by the private sector which could contribute to dialogue with stakeholders and promotion of due diligence. Nonetheless, we

4 http://economie.fgov.be/fr/binaries/Rapportenaanbeveling_20140207_EN_tcm326-242683.pdf

5 <http://mneguidelines.oecd.org/NCPStatementBangladesh25June2013.pdf>

6 <http://eiti.org>

7 <http://www.kimberleyprocess.com/>

consider that the Guidelines should be used as an umbrella instrument to ensure consistency. Policy coherence is particularly relevant in this sector to avoid the multiplication of standards.

Facilitating Stakeholder Engagement in the Extractive Industry

20. Engaging with relevant stakeholders, including governments, is important for enterprises in managing the aforementioned challenges and risks in relation to planning and implementing industrial projects. We take note that the OECD is working on the elaboration of a user guide for stakeholder engagement and due diligence in the extractives industries and call on the OECD to finalise this work before the 2015 Global Forum.

Focus on Conflict-free Sourcing of Minerals

21. We underscore the importance of the OECD Council Recommendation on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas adopted in May 2011⁸ and of the two supplements dedicated to tin, tantalum, tungsten ('3T')⁹ and to gold supply chains.¹⁰ As a result of this work, significant progress has been made in implementing due diligence and supporting responsible sourcing of minerals from conflict-affected and high-risk areas, notably throughout the Member States of the International Conference on the Great Lakes Region.
22. We underscore the relevance of the OECD Due Diligence Guidance to all mineral supply chains and call on all stakeholders to broaden its application beyond the tin, tantalum, tungsten and gold supply chains. We note that industry-led due diligence practices can and should complement government-led efforts to regulate the industry in line with other international commitments. We also stress the importance of combating risks of contributing to conflict, human rights abuses, or poor labor conditions and environmental degradation in the coal supply chain. In this context, we stress the need for mineral sourcing companies to use their influence within their supply chains in line with OECD Due Diligence Guidance.
23. We support the United States' recognition of the OECD Due Diligence Guidance as an internationally-recognized tool for companies complying with section 1502 of the Dodd-Frank Act. We welcome the integrated approach by the EU on responsible sourcing including the initiative to set up an EU system for supply chain self-certification of responsible importers of tin, tantalum, tungsten, their ores, and gold originating in conflict-affected and high-risk areas based upon the OECD Due Diligence Guidance. We look forward to the on-going process on the draft regulation, bearing in mind the views of different stakeholders.

Conclusion

24. This second Global Forum on Responsible Business Conduct and informal Ministerial Meeting has again emphasised the importance of working together to push forward the responsible business conduct agenda globally. We encourage the OECD to continue to organise this important annual meeting to ensure that our efforts in this area remain strong and relevant to all stakeholders.

8 <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

9 Id.

10 Id.