

# **Building blocks for a comprehensive strategy on achieving decent work in supply chains**

## ***Preamble***

1. This document is the result of the discussions that followed the Tripartite Working Group on options to ensure decent work in supply chains. Following the decision of the Governing Body at its 341st Session, the aim of this discussion was to develop, with the assistance of the Office, the building blocks for a comprehensive strategy on achieving decent work in supply chains.
2. The Tripartite Working Group took into account in its discussions the Office's "Gap analysis of ILO normative and non-normative measures to ensure decent work in supply chains".
3. The following building blocks consist of four parts: the first reaffirms the ILO mandate, the second deals with the ILO's commitments to action, the third sets out the means of action to ensure decent work in supply chains, and the fourth part ensures the sustainability of the strategy.

## ***Part 1: Reaffirming the mandate***

1. Reaffirming the International Labour Conference (ILC) 2016 Resolution and Conclusions concerning Decent work in global supply chains, the Conclusions of the meetings of experts on Cross-border Social Dialogue and on Export Processing Zones and on the lessons learned from the programme of action adopted by the Governing Body.
2. Responding to the evolution of the world of work, the ILC has adopted the Centenary Declaration and a number of important conclusions with relevance to ensuring decent work in supply chains and Member States and social partners have taken further initiatives at national, regional and international levels.
3. Recognizing the unique role of the ILO with its tripartite structure, and its normative mandate, accompanied by other functions, such as its programmes and policies, to promote decent work, which equips the Organization to guide a globally relevant approach to enable its constituents to pursue decent work in supply chains, taking into account national context.

## ***Part 2: Commitment to action***

A shared commitment, taking into account the different and complementary roles and responsibilities of constituents, to:

1. equip the ILO to take a leading role in ensuring decent work in supply chains by providing guidance and support to Member States and tripartite constituents;
2. use all available ILO means of action to ensure decent work in supply chains, recognising the imperative of concerted ILO action in this regard; and

3. actively pursue social dialogue and promote, respect and realize the fundamental principles and rights at work, including full respect for freedom of association and effective recognition of the right to collective bargaining in supply chains.

### ***Part 3: Means of action to ensure decent work in supply chains***

A fully coordinated, ambitious, holistic, comprehensive ILO strategy that reflects a smart mix of national and international mandatory and voluntary measures to optimize the impact of the ILO's work to ensure decent work in supply chains, building on its tripartite structure and standards system and using all available ILO means of action:

#### ***A. International labour standards:***

1. Targeted promotion of the ratification and effective implementation in national law and practice of international labour standards relevant to decent work in supply chains with special attention to those underpinning fundamental principles and rights at work and the governance Conventions;
2. Where appropriate, take into account decent work in supply chains within the Organization's efforts to keep a clear, robust and up-to-date body of international labour standards, fit for purpose and responsive to new challenges in the world of work, both in the Standards Review Mechanism Tripartite Working Group and in future standard-setting exercises, combined with an authoritative and effective supervisory system;
3. Information from the work of the supervisory mechanisms with relevance to supply chains is taken into account in ILO technical and research work, and in turn their outcomes are brought to the attention of the supervisory mechanisms;
4. Mapping and analysis of regulatory and non-regulatory initiatives addressing decent work deficits in supply chains, subsequently facilitating meetings to exchange and assess best practices and make use of bilateral and multilateral cooperation;
5. Assess the impact and effectiveness of global, regional, and national regulatory initiatives and trends to protect human rights, in particular labour rights in supply chains to inform the development of the ILO approach regarding normative measures focused on addressing any gaps in international labour standards;
6. Assess new normative and non-normative measures and their possible impact to strengthen the state obligation to protect and the corporate responsibility to respect human rights, in particular labour rights in all levels of supply chains; and
7. Further develop options for initiatives that complement the body of international labour standards to take into account the changing world of work, the challenges of cross border supply chains, implementation gaps, and national circumstances, whether through new normative measures, the revisions of existing measures, or supplementary guidelines and tools.

#### ***B. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration):***

1. Make better use of the MNE Declaration including by:
  - i. facilitating national dialogues to address challenges at national level, to support employers' and workers' organizations to promote the principles of the declaration and responsible business conduct through a variety of means, and to help companies

understand how they can contribute to the realization of the principles in their operations;

- ii. facilitating dialogues and cooperation between home and host countries of MNEs to assist developing countries in implementing international labour standards to ensure decent work in supply chains in line with the MNE Declaration;
- iii. supporting company-union dialogue and dialogue between home and host country governments;
- iv. supporting governments and multinational as well as national enterprises to take appropriate steps to ensure access to effective remedy; and
- v. awareness-raising and capacity-building of tripartite constituents and enterprises with technical support at country level.

### *C. Enabling rights*

Promote the respect and realization of the fundamental principles and rights at work, as well as the principles embodied in the UN Guiding Principles and the MNE Declaration, recognizing that freedom of association and collective bargaining are enabling rights and recognizing that social dialogue is at the heart of the ILO's mandate and that cross-border social dialogue is an essential aspect of it, and supporting social partners to engage in industrial relations and a broader social dialogue to reduce fundamental rights and decent work challenges and deficits, including in Export Processing Zones (EPZ).

### *D. Research, knowledge, and practical tools*

1. Develop a coordinated research agenda on supply chains, including:
  - i. analysis of challenges, best practices, as well as root causes and drivers of decent work deficits at all levels and tiers in developing and developed countries;
  - ii. research on global, regional and bi-lateral trade and its impact on the realisation of decent work in supply chains;
  - iii. research on access to remedy and effective grievance mechanisms in supply chains; and
  - iv. partnerships with international and multilateral organizations.
2. Support states in collecting and analysing data to inform evidence-based policies to advance decent work in supply chains, e.g., by addressing informality;
3. Sharing of best practices, including through peer learning and South-South and triangular cooperation;
4. Strengthen the ILO Helpdesk to assist companies as well as Workers and Employers' organizations with regard to human rights due diligence processes, in line with the UN Guiding Principles and the MNE Declaration, and to provide information on the findings of ILO supervisory system and country data and information on decent work in supply chains; and

5. Develop practical tools to strengthen the means of labour inspection in supply chains.

#### *E. Development cooperation*

1. Strengthen ILO coordination for development cooperation, including the One ILO approach, using supply chains as an entry point to address constituents' needs in Decent Work Country Programmes (DWCP), including with respect to priority sectors, and focusing on:
  - i. Root causes of decent work deficits, including supporting good governance and the transition to formality;
  - ii. All tiers of supply chains, including Small and Medium Sized Enterprises (SME), and relationships between buyers and suppliers;
  - iii. The added value of a sectoral approach to address decent work deficits in specific sectors;
  - iv. Opportunities to expand South-South and triangular development cooperation;
  - v. Collective action, and the State duty to protect and the corporate responsibility to respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the MNE Declaration;
    - Strengthening the governance capacity of public institutions;
    - Building the capacity of the social partners; and
    - Supporting enterprise and constituent engagement to promote decent work in supply chains.
  - vi. Coherent resource mobilization in support of ILO coordination for development cooperation, including the One ILO approach, with the full involvement of the social partners and in line with the constituents' needs and priorities and decent work country programmes.

#### *F. Policy coherence*

1. Actively engage with and achieve a leading role amongst multilateral, international financial, and other relevant organizations on decent work in supply chains, including those within the international trade architecture.
2. Recognise the importance of the principle of transparency in human rights due diligence processes and offer training for social auditors on ILO standards and policies, including fundamental principles and rights at work.
3. Support ILO Members regarding labour provisions in trade agreements.
4. Promote fair and rules-based international trade that respects labour rights, promotes fair wages and working conditions, and value addition along global supply chains can be a catalyst for economic growth and development and contribute to reducing income inequality between countries.

#### ***Part 4: Ensuring sustainability of the strategy***

1. Tripartite commitment to mobilize the necessary resources to ensure that the ILO is equipped to provide Member States and employers' and workers' organizations with the necessary support and assistance.
2. Regular evaluation and impact assessment of the strategy.
3. Enhanced efforts to better communicate the ILO's engagement on decent work in supply chains.
4. Strengthen coordination in the ILO's work and research on supply chains – in the field as well as at headquarters.