



FOR INFORMATION

THIRD ITEM ON THE AGENDA

Updates on corporate social responsibility (CSR)-related activities

(a) Within the ILO, including the InFocus Initiative on Corporate Social Responsibility and the International Training Centre

1. This paper, requested by the Subcommittee on Multinational Enterprises, summarizes new information on CSR-related activities of the ILO including the International Training Centre. It updates the information provided previously ¹ and takes into account suggestions provided in the March 2007 Governing Body. ²

Towards a more coherent and focused approach to CSR

2. The need to better define and focus the role of the ILO in shaping the CSR debate was pointed out during the last Subcommittee. Furthermore, the need for the Office to ensure the consistency of the ILO's activities related to CSR was also stressed. ³ Recognizing the importance and necessity to move forward, the Office in response has undertaken several actions to date.
3. The Office proceeded to review, at the level of the Executive Directors, the ILO's strategy to engage in CSR-related activities. Key points for discussion included how the ILO's strategy to work on CSR-related activities could be strengthened in order to better shape the role of the ILO in CSR debate, how the ILO's capacity to engage in CSR-related activities could be enhanced, and ways in which synergies among different ILO units at headquarters and field structure could be maximized. The following areas were identified: training of ILO staff; knowledge sharing; internal office coordination; outreach; and engagement with companies. Some progress has already been achieved in each of these

¹ GB.298/MNE/2/1.

² GB.298/10.

³ *ibid.*

dimensions (see below). Furthermore, an informal network of in-house experts, consisting of key specialists from each sector, has been established in order to facilitate the coordination of activities and bring more coherence to the knowledge base on CSR.

4. In order to further promote the principles laid down in the ILO Tripartite Declaration concerning Multinational Enterprises and Social Policy (MNE Declaration) as the point of reference for good employment and labour-related CSR policy and practice, EMP/MULTI is developing reference and training materials for ILO staff based on existing materials. These materials would enable staff to better understand the principles laid down in the MNE Declaration and to promote its use with a more coherent message.
5. The InFocus Initiative on CSR (IFI-CSR) continued to serve as a platform for sharing knowledge and information related to CSR. During the March 2007 Governing Body, an InFocus Forum entitled “CSR Reporting on Labour Issues: Company Experiences” was organized. Discussions from this Forum as well as from another Forum on social auditing, monitoring and certification (organized during the November 2006 Governing Body) will serve as key inputs in shaping the Office’s CSR-related programmes for the next biennium.
6. The IFI-CSR coordination group meeting in September focused its discussion on the collaboration between headquarters and field structure, especially on practical ways in which the Office could effectively respond to external requests to provide advice on translating labour principles into practice at the workplace. The group agreed on the need for careful consultation and continued in-house dialogue in order to shape the content and the process for providing quality service. It is proposed to continue the work of the coordinating group during the next biennium.
7. Lastly, MultiForum07, the special event to mark the 30th anniversary of the MNE Declaration, would serve as critical input for the Office in shaping its policy and programmes related to CSR for the next biennium.

Updates on CSR-related activities of the Office

8. Newly reported activities include the following: ⁴

I. Knowledge development

9. IPEC has prepared case studies of the CSR–child labour nexus in the soccer ball industry in Pakistan, cocoa in West Africa and sugar cane in El Salvador. IPEC participated in an assessment of the state of the child labour monitoring system in football production in Sialkot, Pakistan. IPEC also analysed existing databases to identify companies and initiatives that incorporated child labour in their CSR frameworks.
10. TRAVAIL produced a series of information sheets on working time and work organization, work and family, and the minimum wage which provides practical explanations of issues in these subject areas, as well as examples of effective policies and practices. The new information sheet series on maternity protection is being developed; the work and family series will include the informal economy; and the new sheet on the working time and work organization series presents the main findings and policy

⁴ Reporting follows categories identified in GB.295/MNE/2/1 (appendix). See GB.300/MNE/1 for activities implemented by EMP/MULTI.

implications of TRAVAIL's new report on working time around the world. Furthermore, an online database of "Conditions of work and employment laws" has been developed.⁵

11. SECTOR and EMP/MULTI analysed value chains of the Information Technology (IT) industry on the occasion of the Tripartite Meeting on the Production of Electronic Components for the IT Industries (April 2007).⁶ An analytical study examining the food and drink sector was also undertaken as part of the Tripartite Meeting on the Impact of Global Food Chains on Employment in the Food and Drink Sector (September 2007).⁷
12. The International Institute of Labour Studies (IILS) and EMP/MULTI developed a case study of CSR and local development implications of Michelin's Ouro Verde Bahia project in Brazil. A tripartite workshop was held to review the content of the case study.
13. The Regional Office for Asia and the Pacific has compiled a set of effective practices in relation to CSR arising from ILO programmes in the region which would provide guidance to current and future CSR-related activities. A workshop has been organized to assess the cases, and a handbook on effective practices is forthcoming.⁸
14. The Subregional Office in Bangkok reports that in China, technical advisory services, capacity building training and information provided by the Office contributed towards strengthened participation of employers in the implementation of CSR initiatives. In Mongolia, activities included training for the employers' organization and other partners which enabled them to contribute towards CSR action.

II. Tripartite and expert meetings

15. IPEC projects continued their engagement with the private sector in the context of their CSR policies and programmes at the country level, including in India and Brazil. Guidance and support from headquarters was provided to ensure that they are in line with ILO policy.
16. EMP/SEED conducted tripartite meetings on socially sensitive enterprise restructuring (SSER) in Serbia and Georgia. In Serbia, in collaboration with SRO-Budapest, a seminar was held with the administration and workers of Serbian Rail where recommendations on SSER were provided. In Georgia, a seminar was conducted jointly with ILO Turin at the request of the Georgian Employers' Federation and attended by the high-level representatives of government, employers and workers. A project proposal has been developed, which is under consideration by potential donors.
17. The Bureau of Employers' Activities conducted a subregional workshop on CSR in Mali, attended by 12 employers' organizations from the region. Companies represented at the

⁵ All items are available on the TRAVAIL web site.

⁶ "Recent developments on corporate social responsibility (CSR) in information and communications technology (ICT) hardware manufacturing" MULTI Working Paper, Apr. 2007 (available on EMP/MULTI web site).

⁷ "Agri-food chains – Fresh fruit and vegetables: Key trends and issues" draft MULTI Working Paper, "The impact of global food chains on employment in the food and drink sector", Issues paper for discussion at the tripartite Meeting, Sep. 2007.

⁸ Expected end 2007.

forum included AngloGold Ashanti Mali, British American Tobacco Mali, Orange Mali, and Bureau Véritas Mali.

18. SECTOR held two sectoral-level meetings as reported in section I.
19. SRO Harare organized an event in South Africa to mark the 30th anniversary of the MNE Declaration together with the employers' organization of South Africa.
20. ILO Jakarta, in cooperation with the Indonesia Youth Employment Network (IYEN), convened a forum with IYEN members and private sector representatives to renew their commitment to tackling the youth employment challenges. The forum provides a starting basis for the newly approved Netherlands-ILO Cooperation Programme (NICP) on promoting employment opportunities for youth in Indonesia.
21. ILO Tokyo hosted a series of CSR activities, marking the 30th anniversary of the MNE Declaration (May 2007). First, a symposium was jointly organized with the United Nations University with the participation of Japanese tripartite representatives as well as EMP/MULTI and ILS as panellists. Second, EMP/MULTI met with the Global Compact Network to exchange views and to promote the MNE Declaration. Third, at the invitation of the employers' organization, EMP/MULTI gave a lecture and exchanged views with over 30 multinational enterprises. A Japanese version of the MNE Declaration served as input at all events.

III. Promotional activities and technical advisory services

22. TRAVAIL established an action-oriented methodology for improving working and employment conditions in the small and medium enterprises in the formal and the informal economy through revision of the work improvement in small enterprise (WISE) methodology and development of new modules (WISE-R) addressing more directly the social work environment. In collaboration with EMP/ENT and INTEGRATION, workplace tools were developed for improving working and employment conditions within the "Decent and productive workplace practices" package, and a training programme for "Employers' organizations on managing diversity and equality at the workplace" was coordinated by the Bureau of Employers' Activities, with the technical content developed by TRAVAIL and NORMES. Moreover, an initiative to establish work improvement for neighbourhood development (WIND) as a methodology to improve conditions of work and life, extend social protection, and enhance economic opportunities in the informal rural economy is under way in a collaborative effort under the leadership of TRAVAIL involving SAFEWORK/CIS, SECTOR, IPEC, SEC/SOC-STEP, and supported by the IFI-informal economy.
23. SECTOR conducted a workshop to promote decent work for women workers in the fish-processing sector in Peru (October 2007) which examined best practices in the food and drink sector with special reference to CSR developments in Latin America. In Egypt, Suez Cement funded an occupational health and safety initiative in the Construction Action Programme.
24. DIALOGUE continued to implement the Better Factories Cambodia project. In 2007, focus was on: (1) the internal improvement process that affects the monitoring and remediation activities; and (2) the transitioning towards an independent Better Factories Cambodia in 2009, as agreed by the project partners through the Sustainability Memorandum of Understanding covering 2006–08. Furthermore, the better work project is being developed as an inter-sectoral collaborative programme in the framework of an

institutional partnership between the ILO and the International Finance Corporation. The programme is directed to improving labour–management relations, working conditions, and competitiveness among enterprises in global supply chains. It is currently establishing country projects in the apparel sectors of Jordan, Lesotho, and Viet Nam and plans expansion into agribusiness in Africa in 2008.

25. SRO Budapest and the Hungarian ILO National Council organized a bipartite training session on the labour aspects of CSR, focusing in particular on the MNE Declaration, in collaboration with EMP/MULTI. It was followed by a seminar for Hungarian trade unions on their involvement in CSR activities. Furthermore, the component on inclusive workplaces and CSR in Hungary within the project “Combating poverty and social exclusion in Central and Eastern Europe” implemented by SRO-Budapest undertook a number of activities including a series of awareness-raising events, a study of good practices of diversity and equal opportunities among companies resident in Hungary, and provision of a series of training sessions with the Hungarian Postal Trade Unions to strengthen the capacity of union members to be engaged in the promotion of and effective implementation of diversity in the company. Lastly, the Office participated in a number of Global Compact local network activities in Hungary, Ukraine and Moldova, in addition to establishing closer links with the UNDP on CSR activities.
26. ILO Brussels participated in several CSR seminars and debates including those with DEXIA Bank, Coca-Cola Europe and Hamburg University.

IV. Other activities

27. The ILO/AIDS is preparing documents for a possible recommendation on HIV/AIDS in the workplace, at the request of the Governing Body, to be discussed at the International Labour Conference in 2009 and 2010. Consequently, a law and practice review and a questionnaire are being prepared for transmission to the member States.

Updates on CSR-related activities of the International Training Centre of the ILO (ITC–ILO)

28. In the period March–September 2007, two activities with a direct bearing on CSR took place.
29. In April 2007, at the request of the Arcelor Mittal Group – and in close cooperation with the Bureau of Employers’ Activities, the Social Protection Programme of the Turin Centre (SOCPRO), the ILS, representatives of MEDEF and the International Organisation of Employers – the Centre’s Employers’ Activities Programme organized a two-day seminar on the legal aspects and legal risk management related to the international framework agreement and other CSR instruments of the group.
30. The 40 seminar participants were high-level representatives of corporate legal and human resources departments of the company and of local entities in a variety of countries in Western Europe, Eastern Europe, the Americas and Asia.
31. Currently, discussions are being held to determine which further actions can be developed with the Arcelor Mittal Group. These may concentrate on the issues of promoting health and safety within the group and its supply chain.
32. In July 2007, the Centre’s Programme on Standards and Fundamental Principles and Rights at Work (ILS/FPR), collaborated with EMP/MULTI’s Italian-funded project “Sustainable development through the Global Compact” in organizing the project’s first

training of trainers on the implementation of labour principles in the context of CSR. Nineteen trainers from governments, employers' and workers' organizations of Tunisia and Morocco participated in this course. It provided the opportunity to test the training material developed by the project and to further improve it.

33. In November 2007, the ILS/FPR Programme will implement an interregional course entitled "International labour standards and globalization: Tools for the globalized marketplace". The programme of this course includes a specific module on CSR instruments prepared in collaboration with EMP/MULTI.
34. As reported before, in its session of November 2006, the Centre's Board approved the Centre's development plan for the period 2007–11, which includes a focal initiative on CSR. The Centre's Investment Programme (2007–11) has US\$300,000 available for a CSR component. Its purpose is to "further develop the Centre's capacity to offer relevant services and products on CSR, to update and expand existing training materials and design new, innovative materials and curricula for specific target groups ...". The three-year programme of work related to this Investment Programme is being developed and will be conducted in close collaboration with MULTI, the Bureau of Workers' Activities and the Bureau of Employers' Activities. Currently, a working group is studying the possible options and orientations, while awaiting further political guidance of the Subcommittee, in compliance with the interventions of both the representatives of the Workers and the Employers during the Subcommittee meeting of the Governing Body in March 2007. Possible options to move forward include:
- the development of training material for social auditors, to help them in their role when reference is made to the ILO core Conventions;
 - the development of training material on CSR and SMEs and the supply chain; and
 - the development of training materials to increase awareness about the existing international instruments which are related to CSR, such as the MNE Declaration and the Global Compact.

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Submitted for information.