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Possible initiatives that complement the body of international labour standards to ensure decent work in supply chains

Purpose of the document

In line with the ILO strategy on decent work in supply chains, this document presents options for possible initiatives that complement the body of international labour standards (see the draft decision in paragraph 47).

Relevant strategic objective: All.

Main relevant outcome: Outcome 1: Strong, modernized normative action for social justice;
Outcome 9: Enhanced policy coherence and amplified action for social justice through decent work.

Policy implications: The Governing Body will guide Office action on decent work in supply chains.

Legal implications: None.

Financial implications: Dependent on the Governing Body's decision.

Follow-up action required: Implementation of the Governing Body's decision.

Author unit: Priority action programme on decent work outcomes in supply chains (AP/SUPPLYCHAINS) and International Labour Standards Department (NORMES).

Related documents: [GB.347/INS/8](#), [GB.353/INS/4\(Rev.1\)](#).

► Introduction

1. Output 5 of the ILO strategy on decent work in supply chains, adopted by the Governing Body at its 347th Session (March 2023), indicates that the Office will develop options for possible 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.¹ The present document sets out initial options for possible initiatives.
2. The current initial consideration of options takes place in the context of the ILO's reform process, the Director-General's reprioritization framework and evolving financial and budgetary challenges. The concurrent discussion by the Governing Body of the ILO's Development Cooperation Strategy 2026–29 provides an important backdrop; in addition, a number of the initiatives identified below are closely linked with the consideration, also during the present session, of the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and responsible business conduct.
3. At its 359th Session (March 2027), the Governing Body will consider an updated progress report on the implementation of the ILO strategy for decent work in supply chains, together with a draft strategy for 2028–31. The present initial consideration of options may take into account the initiatives already in motion under the current strategy and reflect on how certain initiatives could be integrated into the new supply chain strategy.

► Background

Context

4. Despite widespread recognition of the potential of supply chains to serve as engines of development, growth, transition to formality and job creation, decent work deficits have been identified in many of them.² ILO constituents considered the question of appropriate governance systems and measures by governments and the social partners to achieve coherence between economic outcomes and decent work in the resolution concerning decent work in global supply chains adopted by the International Labour Conference at its 105th Session (2016).³ Subsequently, at the Governing Body's request, in 2021 the Office produced the gap analysis of ILO normative and non-normative measures to ensure decent work in supply chains.⁴ The 2021 gap analysis found that " ... the ILO normative corpus addresses most of the decent work deficits that are associated with supply chains. This is subject to the caveat that this is so when such measures are ratified (in the case of Conventions

¹ GB.347/INS/8, para 12.

² ILO, [Resolution concerning decent work in global supply chains](#), International Labour Conference, 105th Session, 2016, para. 3. ILO, [Gap analysis of ILO normative and non-normative measures to ensure decent work in supply chains](#), WGDWS/2021, 2021, 24–25; for further information on the drivers of decent work deficits in supply chains, see 10 and 40.

³ ILO, Resolution concerning decent work in global supply chains, paras 13–25.

⁴ ILO, [Gap analysis](#).

and Protocols), fully implemented, and applied to all relevant segments of the workforce. ILO normative instruments establish clear substantive and procedural labour standards that correspond to many of the key decent work deficits that can be identified across a range of diverse supply chains. That is, if existing international labour standards were appropriately ratified and implemented, decent work deficits in supply chains would – in principle – be significantly reduced. However, supply chains connect a range of enterprises and workers, either within or across national borders, and may link highly varying economic and regulatory contexts. In normative terms, a challenge derives from the situation where goods and materials and services involve several distinct and different employers and also may cross borders, given that labour governance structures are often confined to application to specific employee or worker–employer relationships and are principally restricted to application within the national jurisdiction where the act of work takes place.”⁵

5. Taking into account the 2021 gap analysis, the Tripartite Working Group on Options to Ensure Decent Work in Supply Chains (Geneva, June–July 2022) adopted a document, entitled “Building blocks for a comprehensive strategy on achieving decent work in supply chains”,⁶ which provided the foundation for the development and adoption of the current strategy in 2023.

Insights to guide consideration of the options

6. In implementation of output 4 of the ILO strategy on decent work in supply chains and building on the 2021 gap analysis, the Office developed a mapping and analysis of the impact and effectiveness of global, regional and national regulatory and non-regulatory initiatives addressing decent work deficits in supply chains; the resulting document was the subject of consultations with constituents in August and October 2025.⁷ Based on the knowledge gained through the mapping and analysis and the feedback received from constituents, a set of eight insights were drawn that may be relevant to the Governing Body’s consideration of possible complements to the ILO’s body of standards. These insights, reproduced in full in the appendix, build on the Organization’s mandate, expertise and tripartism to answer the question of what the ILO could contribute to an already crowded debate surrounding decent work in supply chains.
7. The insights are the following:
 1. A smart mix of complementary and interconnected initiatives, encompassing different approaches and with different objectives, may be impactful and effective.
 2. There is growing impetus for greater coordination, coherence and consistency.
 3. Certainty and sustainability shape impact and effectiveness.
 4. Governments and businesses hold distinct, complementary and pivotal roles in relation to decent work in supply chains.
 5. Strong institutions, good governance and rule of law are key – yet, few initiatives focus on the root causes and drivers of decent work deficits.
 6. An enabling environment for sustainable enterprises is critical.

⁵ ILO, *Gap analysis*, 6. The gap analysis also examined gaps in the non-normative functions of the ILO (7, 39–53).

⁶ ILO, *Building blocks for a comprehensive strategy on achieving decent work in supply chains*, 5 July 2022.

⁷ ILO, *A mapping and analysis of the impact and effectiveness of global, regional and national regulatory and non-regulatory initiatives addressing decent work deficits in supply chains*, revised version, 2025.

7. Access to effective remedy is often a challenge.
8. Full involvement of workers, employers and their organizations, including clear and appropriate attribution of roles and responsibilities, is key.
8. The options outlined below aim to address the key themes identified in the insights as critical for achieving decent work in supply chains, namely: (i) fostering coordination, coherence, consistency, certainty and sustainability (options 1, 2, 3, 4, 5, 6, 7 and 12); (ii) promoting good governance and tackling the root causes of decent work deficits (options 6, 7, 8, 9 and 12); (iii) ensuring access to remedy (options 10, 11 and 12); and (iv) recognizing that meaningful tripartite engagement is an essential component of all options proposed.

► Options for possible initiatives

9. This document sets out 12 options for possible initiatives, derived from the four key themes identified above and grounded in the Organization's multi-pronged means of action and comparative advantages.
10. Building on insight 1 that a smart mix of initiatives may be most impactful and effective, the proposals include both normative and non-normative options. Echoing the United Nations (UN) Guiding Principles on Business and Human Rights and recognizing that the ILO strategy on decent work in supply chains "promotes 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",⁸ the proposals emphasize the mutually reinforcing interplay of normative and non-normative, public and private, national and international initiatives. The guidance of the Governing Body is sought on the merits of each individual option and on how best to promote a smart mix, with a view to identifying the most strategic combination of potential options. This should leverage ILO means of action to ensure that the Organization plays a leading role in advancing decent work in supply chains, with coherent guidance and support for tripartite constituents.
11. Certain options focus on specific elements, also highlighted in the current strategy, while others take a broader, cross-cutting approach. As set out below, the options under consideration have different budgetary implications. Guidance is therefore sought on which proposals should be further pursued, as well as on their prioritization, with a view to informing and ensuring alignment with the Director-General's reprioritization framework.⁹
12. There are significant workstreams already being implemented under the ILO Supply Chain Strategy and foreseen in the 2026–27 Programme and Budget that aim to address the insights and key themes identified. These activities are referred to under options 2, 3, 4 and 5, aimed at strengthening or further scaling them up.
13. The order in which the options are presented follows the four themes emerging from the insights drawn from the mapping and analysis, with meaningful tripartite engagement as a cross-cutting theme and does not imply any order of priority or preference. Although the number of options is significant, elements of these options could be combined, consolidated or layered to complement the ILO's existing global strategy and body of international labour

⁸ GB.347/INS/8, para. 2.

⁹ GB.356/INS/7.

standards. The following diagram illustrates how the options set out in this paper correspond to the key themes identified in the insights.

► **Diagram. Correspondence of options to key themes identified in the insights**

INSIGHTS	Smart mix of initiatives may be impactful and effective						
	Growing impetus for coordination, coherence and consistency	Certainty and sustainability shape impact and effectiveness	Governments and businesses hold distinct, complementary and pivotal roles	Strong institutions, good governance and rule of law are key	Enabling environment for sustainable enterprises is critical	Access to effective remedy is often a challenge	Full involvement of workers, employers and their organizations
							
THEMES	Fostering coordination, coherence, consistency, certainty and sustainability			Promoting good governance and tackling the root causes of decent work deficits	Ensuring access to remedy	Tripartite engagement	
							
Correspondence of options to key themes identified in the insights							
Option 1: Possible standard focused on coordination and consistency and on tripartite engagement							
Option 2: Making better use of the MNE Declaration and supporting constituents in achieving policy coherence and consistency in harnessing supply chains, trade and FDI for decent work							
Option 3: Technical assistance on labour provisions in trade and investment arrangements							
Option 4: Strengthening the ILO Help Desk for Business on International Labour Standards							
Option 5: Consolidating and scaling up the ILO's business networks							
Option 6: ILO initiative to strengthen compliance, consistency and good governance to advance decent work in supply chains							
Option 7: "One ILO" programme on sustainable enterprises, supply chains and transitions to formality							
Option 8: Possible standard on good governance in the world of work							
Option 9: Initiative to support MSMEs in supply chains and facilitate the transition of economic units and workers to formality, using supply chains as an entry point							
Option 10: Possible standard on access to labour justice							
Option 11: ILO initiative on access to remedy, strengthening ILO technical support and knowledge							
Option 12: Possible standard to provide guidance and identify commitments to achieve decent work in supply chains							

Option 1. Possible standard focused on coordination and consistency and on tripartite engagement

14. Reflecting the growing impetus for greater coherence and consistency, this standard-setting initiative would aim to promote policy coordination across economic, social and environmental policies at national and international levels and foster cooperation between governments, social partners and other relevant actors in supply chains such as ministries of trade and industry, multilateral organizations, international financial institutions and industry coalitions. The current global context underscores the potential value of enhanced harmonization to achieve decent work in supply chains, to provide greater certainty for all actors and foster long-term sustainability. Such a standard, or standards, could address existing fragmentation across national and international regulatory and non-regulatory initiatives. This multiplicity

can be difficult to navigate and costly to implement and entails a significant risk of overlap and duplication. A potential standard could therefore focus on coherence across areas relevant to decent work and economic growth, such as an enabling environment for sustainable enterprises, trade, investment, public procurement and development cooperation, and aim for greater alignment between public and private initiatives, based on proportionality, strategic alignment, coordination and legal certainty. It could strengthen consistency across frameworks and jurisdictions and potentially include guidance or obligations to increase alignment and harmonization of key elements of human rights at work due diligence and remediation processes, such as the scope of labour rights covered, social partner engagement in such processes, enforcement, mechanisms for transparency and measures to safeguard against “de-risking”. Further, this initiative could call for enhanced international cooperation and collaboration to support domestic implementation.¹⁰

15. Such a standard, or standards, could adopt a higher-level principles-based approach, avoiding the re-regulation of subjects already covered comprehensively by other international labour standards.¹¹ The key challenge in the development of such a standard would be to avoid replicating existing initiatives, but rather to build a unifying framework, taking into account the UN Guiding Principles on Business and Human Rights as well as the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as amended in 2022 (MNE Declaration), in a way that adds real value and strengthens the ILO’s leadership in this field. Core elements would include the promotion of meaningful social dialogue and social partner engagement in identifying and addressing decent work deficits in supply chains. The mapping and analysis highlighted substantial variation among existing national and international mechanisms; some are by design centred around tripartism and social dialogue, while others involve social partners through general stakeholder engagement and, in certain mechanisms, there is no meaningful role for the social partners. Recognizing that the active involvement of employers, workers and their organizations makes a critical contribution to impact, such a standard could include provisions aimed at operationalizing participation in practice, enhancing the role of social partners in the development, implementation, monitoring and review of initiatives and policies impacting supply chains, as well as capacity-building, information sharing and all forms of social dialogue, including cross-border social dialogue.
16. The budgetary implications of this option, as well as of standard-setting options 8, 10 and 12, would be the regular cost associated with the preparation and holding of a standard-setting exercise at the Conference following the placement of the item on the Conference agenda.

Option 2. Making better use of the MNE Declaration and supporting constituents in achieving policy coherence and consistency in harnessing supply chains, trade and foreign direct investment for decent work

17. Significant work is already under way to make better use of the MNE Declaration, as foreseen under outputs 6–9 of the ILO strategy on decent work in supply chains,¹² as well as under

¹⁰ It is commonplace for standards to refer to the value of enhanced international cooperation or collaboration to support domestic implementation. See, for example, ILO, *Gap analysis*, 31–32.

¹¹ See ILO, *Gap analysis*, 23–24. Few international labour standards expressly mention supply chains but all ILO standards with a general application cover workers and employers in supply chains to the same extent and in the same way as they cover any other workers and employers.

¹² These outputs envisage the promotion of national dialogues as opportunities for constituents to address decent work deficits in supply chains (output 6); the facilitation of home-host country dialogues as a means of identifying opportunities

output 4.2 of the ILO's Programme and Budget for 2026–27, including the strengthening of constituents' capacity to promote responsible business conduct by strengthening international and regional partnerships to enhance policy coherence and guidance on responsible business conduct and by promoting the operational tools of the MNE Declaration. Aligned with the principles of the MNE Declaration, this option could entail the Office further strengthening its support to Member States in facilitating stronger national policy coherence and collaboration between ILO constituents (typically ministries of labour and employment, social partners) and investment promotion agencies and their oversight ministries (ministries of economy, industry, trade). This would build on the encouraging experiences in Member States that have included investment promotion agencies or similar agencies in the national focal points for the promotion of the MNE Declaration to advance decent work through foreign direct investment (FDI) and business linkages with national enterprises.

18. This option could also entail further support for Member States in making better use of the MNE Declaration in the national context by promoting the appointment of national focal points, establishing a community of practice and strengthening national social dialogue institutions. This would allow a greater sharing of experiences in conducting national dialogues as well as home-host country dialogues that use the MNE Declaration as a framework for action, and potential collaboration with similar tools.
19. The Governing Body could provide more specific guidance on the type of tools, resources and partnerships to be further developed under the MNE Declaration.¹³ This option would need to take into account the budgetary allocations under output 4.2 of the Programme and Budget for 2026–27 and future budgetary allocations for subsequent programmes and budgets.

Option 3. Technical assistance on labour provisions in trade and investment arrangements

20. Further strengthening output 17 of the ILO strategy on decent work in supply chains,¹⁴ the Office could scale up its technical assistance support to Member States to consider and implement labour provisions within trade and investment arrangements in an integrated and coherent manner. This could take the form of additional capacity-building for constituents at national and regional levels, practical tools and further research and evidence on the inclusion and implementation of labour provisions in trade and investment agreements. This option could also aim at supporting the involvement of social partners in the design and implementation of such clauses through targeted capacity-building activities. In the short term, activities related to this option are foreseen under outcomes 1 and 9 of the Programme and Budget for 2026–27. The Governing Body could provide guidance on the scope and ambition of future activities, which would need to be reflected in future programmes and budgets.

for cooperation to advance decent work (output 7); the active promotion of the MNE Declaration's company–union dialogue procedure (output 8.); and support to governments and enterprises in ensuring access to effective remedy (output 9).

¹³ See GB.350/POL/5.

¹⁴ Output 17 envisages that the capacity of ILO Member States to consider and implement labour provisions within trade and investment agreements is strengthened.

Option 4. Strengthening the ILO Help Desk for Business on International Labour Standards

21. As already foreseen under output 13 of the ILO strategy on decent work in supply chains,¹⁵ the Office is strengthening the ILO Helpdesk for Business on International Labour Standards (Help Desk for Business) with relevant tools, data and information for enterprises conducting human rights due diligence, including data collection methods to assess decent work risks in supply chains. This work is foreseen under outcome 4 of the Programme and Budget for 2026–27, including the strengthening of constituents' capacity to promote responsible business conduct by further expanding the Help Desk for Business with relevant information for enterprises conducting human rights due diligence, and is supported by development cooperation funding.
22. Under this option, the Governing Body could provide more specific guidance on the type of tools, resources and partnerships to be further developed and integrated in the Help Desk for Business. This option would need to take into account the budgetary allocations under output 4.2 of the Programme and Budget for 2026–27 and future such allocations under subsequent programmes and budgets.

Option 5. Consolidating and scaling up ILO's business networks

23. Building on the ILO's existing business networks pertaining to different aspects of decent work in supply chains, such as the Child Labour Platform, the Global Business Network on Forced Labour and the Global Business and Disability Network, the Office could consider further leveraging its convening power by consolidating these efforts to cover fundamental principles and rights at work and decent work more holistically across supply chains. This could entail reinforcing and expanding the capacity of these networks to promote dialogue, build capacity and facilitate collaboration and implementation of joint plans between governments, social partner organizations and their business members of these networks in supply chains.
24. The resolution concerning the third recurrent discussion on fundamental principles and rights at work adopted by the International Labour Conference at its 112th Session (2024) called on the Office to "strengthen the ILO Global Business Network on Forced Labour, the ILO Global Business and Disability Network and the Child Labour Platform, and seek ways to ensure their sustainability".¹⁶ Leveraging these networks is also foreseen in the Programme and Budget for 2026–27 under outputs 1.4 and 5.1. Given the essential role of mobilizing resources for the operation and potential consolidation of these networks and mindful of challenges in the current funding environment, implementation of this option would require alignment with the Strategy on Development Cooperation 2026–29 under discussion at the present session of the Governing Body and subsequent prioritization in resource mobilization strategies.
25. Since options 2, 3, 4 and 5 entail further strengthening and scaling up elements of the current strategy that aim to achieve policy coherence and consistency in harnessing supply chains, trade and FDI for decent work, consideration could be given to approaching them as a mutually reinforcing package.

¹⁵ Output 13 envisages that knowledge, evidence and good practices on decent work in supply chains are widely shared and disseminated to constituents through ILO platforms, including the ILO Helpdesk for Business.

¹⁶ ILO, [Resolution concerning the third recurrent discussion on fundamental principles and rights at work](#), International Labour Conference, 112th Session, 2024, para. 20(s).

Option 6. ILO initiative to strengthen compliance, consistency and good governance to advance decent work in supply chains

26. This option would address the insights on the growing impetus for coordination, coherence, consistency and sustainability. It would also contribute to addressing the need to tackle root causes of decent work deficits in supply chains and promoting good governance, while also emphasizing the centrality of robust tripartite engagement.
27. The initiative would aim to help constituents through technical assistance and capacity-building in various aspects linked to supply chains, including through: (i) enhancing the coherence and alignment of frameworks, tools and processes on human rights due diligence with national laws and international labour standards to avoid fragmentation and conflicting requirements; (ii) strengthening the knowledge and evidence base on opportunities, drivers and challenges for compliance and enforcement in the context of supply chains; (iii) sharing and scaling of proven ILO tools and approaches, including those implemented in specific supply chains and through sustainable public procurement activities, to promote compliance; (iv) supporting the sharing of knowledge and good practices in enforcement and compliance, including through the organization of regional forums and events or the creation of an academy, observatory or centre for learning; and (v) providing overall consistency and coherence in a whole-of-government approach at the national level and across entities at the multilateral level.
28. Anchored in the tripartite dialogue process that is core to the ILO as well as in evidence and knowledge-sharing, this option would give the ILO a strong mandate as host of a tripartite initiative to monitor, inform and facilitate dialogue on compliance, harmonization and good governance in a supply chain context. This would establish a more integrated approach to operationalizing the distinct, yet complementary roles of ILO constituents in driving progress toward decent work in supply chains.
29. The coverage, reach and scope of this option depend on the guidance provided by the Governing Body, as the initiative could have significant operational costs. This option would build on work already being carried out under the ILO strategy on decent work in supply chains, in particular under outputs 10, 13, 14 and 18.¹⁷ Activities related to this option in the short term are foreseen under outcomes 1, 4 and 9 of the Programme and Budget for 2026–27. Further coordinated and integrated work under this initiative would need to be planned in future programme and budget exercises. The implementation of this option would also require alignment with the Strategy on Development Cooperation 2026–29, as there may be opportunities to establish partnerships where appropriate.

Option 7. “One ILO” programme on sustainable enterprises, supply chains and transitions to formality

30. This option would support Member States and social partners in harnessing supply chains to promote sustainable enterprises, micro, small and medium-sized enterprise (MSME) development, transitions to formality and decent work through coherent policies, including

¹⁷ These outputs envisage the provision of support to ILO constituents to respect, promote and realize fundamental principles and rights at work in supply chains, including through social dialogue at all levels (output 10); wide sharing and dissemination of knowledge, evidence and good practices on decent work in supply chains to constituents through ILO platforms, including the ILO Helpdesk for Business (output 13); development of and easy access to strategies and methodologies to strengthen labour inspection in supply chains (output 14); and development of materials to promote international labour standards as the basis of human rights due diligence processes (output 18).

those related to trade and investment, strong institutions and integrated national implementation. It would do so by combining elements of options 2, 3, 4 and 9, comprising: (i) integrated “One ILO” country-level supply chain programmes (multi-year, country-level programmes using nationally identified priority supply chains as entry points); (ii) policy coherence for sustainable enterprises in supply chains, leveraging the MNE Declaration to support whole-of-government coordination including among ministries of labour, ministries of trade and industry, other ministries and government entities and social partners; (iii) technical assistance on labour provisions in trade and investment arrangements to foster policy coherence and develop capacity for constituents to be involved in their design and implementation; (iv) technical assistance on MSMEs, supply chains and transitions to formality, with a focus on lower tiers of supply chains, ensuring that access to large enterprises and supply chains can provide opportunities for upgrading and decent work.

31. This package would scale the ambition of the “One ILO” approach to development cooperation already foreseen in the ILO strategy on decent work in supply chains, cutting across several policy areas and responding to constituents’ priorities at the national level. It would also align with the Development Cooperation Strategy 2026–29, aiming to design multi-year, integrated and holistic programmes at the country level. Depending on the guidance provided by the Governing Body, this option may entail significant operational costs and its implementation would need to be integrated into future programme and budget exercises and resource mobilization strategies.

Option 8. Possible standard on good governance in the world of work

32. The insights, reproduced in the appendix, highlight that strong institutions and governance are key – yet, few mechanisms aim to address the root causes and drivers of decent work deficits in supply chains. These often reflect national contexts and include structural obstacles such as informality, inequality and discrimination as well as limited governance, regulatory and enforcement capacity, including a lack of rule of law and corruption. There may, therefore, be added value in normative action that addresses these systemic challenges through a coherent and integrated approach, without addressing substantive elements already covered in other up-to-date ILO instruments.
33. Acknowledging the importance of good governance in the changing world of work, such a standard, or standards, could systematize and rationalize elements concerning implementation of labour rights – including in supply chains – by taking a governance perspective and considering how to incorporate transnational and cross-border considerations. Possible elements could include provisions relating to:
 - promoting effective governance in labour institutions;
 - access to appropriate and effective remedy (linked to option 10 below);
 - enforcement and compliance measures, including labour inspection;
 - national and cross-border collaboration;
 - research and data generation, to facilitate more effective interventions;
 - equipping and supporting all relevant authorities with an impact on decent work for greater coherence across their respective mandates;

- strengthening the leadership of labour administrations (including cross-border labour inspection) in the promotion of decent work across other governmental institutions whose work influences supply chain governance.
34. Furthermore, recognizing that many decent work deficits in supply chains are addressed by the existing ILO body of standards, this new standard could also serve as a promotional framework to support the implementation of other relevant standards. This initiative would aim to address the reflection in the 2021 gap analysis that “while ILO normative measures are substantively relevant to the decent work deficits that exist in some supply chains, they may not address governance factors (including relevant actors and mechanisms) which characterize supply chains.”¹⁸
35. The budgetary implications of this option are described in paragraph 16, above.

Option 9. Initiative to support MSMEs in supply chains and facilitate the transition of economic units and workers to formality using supply chains as an entry point

36. Acknowledging the particular challenges that MSMEs may face in order to comply with national law and their prevalence in the lower tiers of supply chains, this option would strengthen the Office’s work on fostering an enabling environment for sustainable enterprises, competitiveness and productivity growth, and on supporting MSMEs in adapting to the implied requirements in the context of their engagement in supply chains. As highlighted in the resolution concerning the general discussion on addressing informality and promoting the transition to formality for decent work adopted by the International Labour Conference at its 113th Session (2025), access to supply chains, particularly through large and multinational enterprises, can connect MSMEs with domestic and export markets, provide or enhance access to services and support skills transfers,¹⁹ thereby increasing opportunities to upgrade, as well as formalization and improvements in job quality, including access to comprehensive, sustainable, effective and adequate social protection. The initiative would also include measures to support the transition to formality and engagement in supply chains of women-led MSMEs and women workers in the lower tiers of supply chains.
37. Activities to promote sustainable enterprises, competitiveness and productivity growth for decent work are foreseen under outcome 4 of the Programme and Budget for 2026–27, including increasing the capacity of constituents to design, implement and monitor integrated policy frameworks for a conducive environment for sustainable enterprises; to facilitate the access of enterprises, especially MSMEs, to industry clusters, supply chains, markets, technology and skills; and to facilitate the transition of enterprises and workers to the formal economy. Activities to improve coherence and greater coordination in support of integrated strategies aiming at ensuring an enabling environment to transition to formality for decent work are foreseen under outcome 9.2 of the Programme and Budget for 2026–27. The coverage, reach and scope of this option depend on the guidance provided by the Governing Body. The implementation of this option would need to be integrated into future programme and budget exercises and to be aligned with the Strategy on Development Cooperation 2026–29 and subsequent prioritization in resource mobilization strategies.

¹⁸ ILO, *Gap analysis*, 25.

¹⁹ ILO, [Resolution concerning the general discussion on addressing informality and promoting the transition to formality for decent work](#), International Labour Conference, 113th Session, 2025, para. 12(b).

Option 10. Possible standard on access to labour justice

38. In its conclusions, the Tripartite Technical Meeting on Access to Labour Justice for All (Geneva, 17–21 February 2025) emphasized that access to labour justice is essential for advancing decent work and good governance, and called on the Office to provide support to tripartite constituents and their judicial and non-judicial bodies, in an integrated approach, towards advancing access to labour justice for all, including by supporting governments, employers' and workers' organizations, and multinational and national enterprises to take appropriate steps to ensure access to effective remedy for workers whose rights have been infringed in business operations, and support effective grievance procedures in line with the MNE Declaration.²⁰
39. Consideration could be given to the development of a standard, or standards, drawing on existing normative guidance and comparative frameworks for labour dispute prevention and resolution, with the aim of addressing the disparity noted in the background report submitted to the Tripartite Technical Meeting that a significant proportion of workers have no or limited access to justice.²¹ Such a standard could cover access to labour justice broadly for workers and employers, or be more focused on critical aspects in cross-border and supply chain contexts, including the contribution of cross-border social dialogue and transnational agreements for dispute settlement. It could focus on generally accepted principles of effectiveness for labour dispute prevention and resolution systems and institutions, as well as on processes to ensure access to appropriate and effective remedy for workers and employers whose rights have been infringed. It could also promote dispute prevention through social dialogue as well as the importance of workplace cooperation. Key elements could include good governance and rule of law frameworks, effectiveness criteria for dispute prevention and resolution mechanisms and grievance handling, linkages between workplace mechanisms and state-based judicial and non-judicial dispute resolution institutions, linkages between transnational mechanisms and national labour justice systems, measures to identify and address obstacles to labour justice and to ensure equality and non-discrimination in accessing justice.
40. The budgetary implications of this option are described in paragraph 16, above.

Option 11. ILO initiative on access to remedy, strengthening ILO technical support and knowledge

41. As indicated above, the 2025 Tripartite Technical Meeting on Access to Labour Justice for All emphasized the importance of access to labour disputes justice for advancing decent work and good governance and called on the Office to provide support to tripartite constituents and their judicial and non-judicial bodies, in an integrated approach, towards advancing access to labour justice for all, including by supporting governments, employers' and workers' organizations, and multinational and national enterprises to take appropriate steps to ensure access to effective remedy for workers whose rights have been infringed in business operations, and support effective grievance procedures in line with the MNE Declaration.²²

²⁰ ILO, *Conclusions of the Tripartite Technical Meeting on Access to Labour Justice for All: Prevention and resolution of labour disputes*, TMAJ/2025/6, para. 11(d).

²¹ ILO, *Access to labour justice for all: Prevention and resolution of labour disputes: Report for the Tripartite Technical Meeting on Access to Labour Justice for All*, TMAJ/2025, para. 4.

²² The Conclusions recalled that "systems have different challenges depending on the national context" (para. 5), and that "in light of globalization and international trade, access to labour justice is not only a national issue but also a transnational one."

42. This option would aim to complement, consolidate, strengthen and expand the Office's existing technical support on state-based judicial, state-based non-judicial and non-state-based grievance mechanisms, foreseen under outcome 2 in the Programme and Budget for 2026–27. It could also include the development of non-binding tripartite guidelines on access to appropriate and effective remedy, including in supply chains, and new research and evidence on access to remedy for labour rights violations including in supply chains, focusing on mapping relevant mechanisms and identifying pathways for effective redress. This information could be compiled in the ILO's labour dispute prevention and resolution topic portal. Guidance from the Governing Body would inform the scope of new activities and the related financial implications.

Option 12. Possible standard to provide guidance and identify commitments to achieve decent work in supply chains

43. This standard-setting option could integrate key elements from options 1, 8 and 10 above, to holistically address issues of governance, access to justice and consensus on coherent rules, centred around social dialogue. Such a standard, or standards, could be developed with three key aims, namely: (i) enhancing coordination and harmonization among existing frameworks and policies and strengthening tripartite engagement (as described above under option 1); (ii) ensuring access to appropriate and effective labour justice (as described above under option 10); and (iii) strengthening good governance in the world of work (as described above under option 8), addressing the issues highlighted under options 1, 8 and 10. Further, such a standard could acknowledge the reality that supply chains characterize huge portions of most economies and therefore aim to amplify the implementation and ratification of existing standards, with a view to achieving decent work in supply chains through strengthening governance, regulatory and enforcement capacities and promoting the periodic consideration of measures to ratify and implement up-to-date international labour standards. This standard-setting action would therefore aim to respond to the finding of the 2021 gap analysis "[a]s is the case in relation to the international labour standards in general, their impact in relation to supply chains relies on ratification, effective implementation and application to relevant segments of the workforce".²³ This option would aim to address the gaps identified, while enhancing coherence and avoiding duplication within the existing body of ILO standards.
44. The budgetary implications of this option are described in paragraph 16, above.

► Next steps

45. Guidance from the Governing Body on which options to pursue further will inform the reprioritization discussion, the outcome of which will have implications for the scope and feasibility of the respective options in the current and future programme and budget. The Governing Body's guidance will also inform the development of the new strategy on decent work in supply chains for discussion by the Governing Body at its 359th Session in March 2027.

While several LDPR mechanisms have been established in the context of supply chains, by trade agreements, and by international framework agreements, among others, their effectiveness varies and their complexity may pose challenges for workers and enterprises, especially small and medium-sized enterprises (SMEs)" (para. 6).

²³ ILO, *Gap analysis*, 25.

46. Should the Governing Body wish to pursue any of the standard-setting options (options 1, 8, 10 or 12), this would need to be considered in the context of its examination of the agenda of future sessions of the International Labour Conference, under the item "Agenda of future sessions of the Conference".²⁴

► Draft decision

47. **Reaffirming the goal of the ILO strategy on decent work in supply chains to position the Organization to play a leading role in promoting decent work in supply chains by providing guidance and support to Member States and tripartite constituents, the Governing Body :**
- (a) requested the Office to take the following [normative option(s) [xx] and/or non-normative option(s) [xx]] forward, including through the preparation of relevant proposals based on the guidance that it provided during the discussion;
 - (b) requested the Director-General to continue to take the ILO strategy on decent work in supply chains (2023–27) and the guidance provided during the Governing Body's discussion into account in the context of the ongoing Office reform, the preparation of future programme and budget proposals, the mobilization of extrabudgetary resources and the development of the future ILO strategy on decent work in supply chains to be submitted in March 2027.

²⁴ At this session under item [GB.356/INS/2/1](#), or at subsequent sessions of the Governing Body.

► Appendix

Insights

The following insights are reproduced from Chapter 5 of the mapping and analysis of the impact and effectiveness of global, regional and national regulatory and non-regulatory initiatives addressing decent work deficits in supply chains.¹

As required by the strategy, insights can be drawn from the analysis that may be relevant to the Governing Body's consideration of possible normative complements to the ILO's body of standards. The insights build on the ILO's mandate, expertise, and comparative advantage of tripartism, to answer the question of what the ILO could contribute to an already crowded debate surrounding decent work in supply chains. As the insights suggest non-normative measures are broadly complementary to normative measures, this may also be relevant to the Governing Body's considerations.

► **1. A smart mix of complementary and interconnected initiatives, encompassing different approaches and with different objectives, may be impactful and effective**

The United Nations Guiding Principles on Business and Human Rights (UNGPs) underscore the importance of a “smart mix” of measures to address the multifaceted nature of business-related human rights impacts, encompassing national and international, mandatory and voluntary, as well as regulatory and policy-based approaches.¹⁷⁹ In this complex landscape, the strategic combination of diverse initiatives, varying in objectives, scope and modalities of engagement, is essential to strengthen state duties and corporate responsibilities. The MNE Declaration also calls for laws, policies, measures and actions adopted by governments, employers' and workers' organizations and enterprises to further the aim to encourage the positive contribution which multinational enterprises can make to economic and social progress and the realization of decent work for all.¹⁸⁰

Different initiatives co-exist and create synergies with each other: international labour standards not only underpin national laws, but are referred to in several public procurement systems and labour clauses in trade and investment arrangements, reflected in corporate laws and incorporated as a key reference into many non-regulatory initiatives.¹⁸¹ Compliance with national labour law is enforced by labour market institutions and supported by public procurement provisions and private sector initiatives, and this implementation in turn can fulfil commitments contained in labour provisions of trade and investment agreements.¹⁸² Similarly, private sector-led initiatives are often implemented alongside other more diverse forms of private governance such as multi-stakeholder initiatives or social dialogue-based initiatives. For example, apparel factories that are producing for European and North American brands

¹ ILO, “Insights for any possible ILO approach on normative measures to address any gaps in international labour standards”, in *A mapping and analysis of the impact and effectiveness of global, regional and national regulatory and non-regulatory initiatives addressing decent work deficits in supply chains*, revised version, 2025, 38–45.

¹⁷⁹ UN, *Guiding Principles on Business and Human Rights*, 2011, 5; Ruggie, J. (2011). *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*. UN Human Rights Council, A/HRC/17/31; Surya Deva (2021) The UN Guiding Principles’ Orbit and Other Regulatory Regimes in the Business and Human Rights Universe: Managing the Interface, *Business and Human Rights Journal* 6(2).

¹⁸⁰ ILO, *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, paras 3–5.

¹⁸¹ ILO, *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, paras 8–9.

¹⁸² See for example, The EU–Viet Nam Free Trade Agreement A catalyst of labour reform in Viet Nam? In M. Corley-Coulibaly, F. C. Ebert and P. Sekerler Richiardi, eds., *Integrating Trade and Decent Work Volume II: The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*. Geneva: International Labour Office, pp. 175–209, Kristoffer Marslev and Cornelia Staritz, “Labor Regimes, Global Production Networks, and State–Society Relations: Assessing the Impact of the EU–Vietnam Free Trade Agreement on Labor in Vietnam,” *Economic Geography* 100, nos. 5–6 (2024).

are simultaneously experiencing a large number of regulatory and non-regulatory initiatives, such as international labour standards ratified; national labour law; inspections by national inspectorate; labour provisions in trade agreements, if applicable; apparel brands' corporate codes of conduct and compliance systems, which are in turn shaped by multilateral instruments such as the UNGPs and by benchmarking frameworks such as the United Nations Global Compact and the Global Reporting Initiative; any social partner initiative established; potentially, the ILO-IFC Better Work programme; and many more. As such, while this interplay makes it challenging to isolate the impact of an individual grouping of initiatives, it is also apparent that this intersection and strategic interaction can contribute to improvements in strengthening labour governance in the country.¹⁸³

Supply chains are highly dynamic and diverse, made up of a wide variety of business relationships, both domestic and cross-border, with decent work challenges and opportunities differing from chain to chain and across the sectors and countries that constitute the chain.¹⁸⁴ Therefore, a smart mix of different approaches, integrating not only binding measures and compliance-based approaches, but also cooperation, social dialogue, capacity building, communication and knowledge exchange, and practical tools tailored to businesses and supply chain stakeholders, is effective and impactful in promoting decent work in domestic and global supply chains.

► 2. There is growing impetus for greater coordination, coherence and consistency

While there is a significant opportunity for complementarity, a multiplicity of both voluntary and binding initiatives, with different purposes, requirements and thresholds, can be difficult to navigate and costly to implement, with a risk of overlap and duplication, creating confusion for stakeholders and diluting impact and effectiveness.¹⁸⁵ To address this fragmentation, more recent non-regulatory initiatives have aimed to consolidate individual efforts, leading to the development of industry wide codes of conduct and multistakeholder initiatives with broader participation. Certain regulatory initiatives – most notably corporate laws addressing responsible business conduct – emerged also as a response to the inefficiency inherent in duplicative, non-binding private sector measures. In certain regulatory regimes, there has been a move towards simplification and additional efforts to address fragmentation and to systematize and rationalize elements concerning the implementation, enforcement and compliance of labour rights could enhance impact. Further, without coherence and consistency between initiatives in a smart mix, duties and responsibilities are difficult to perform, reducing their impact and effectiveness. The scope of labour rights addressed across different regulatory and voluntary frameworks varies significantly, and this divergence in scope risks diluting the overall impact. While the fundamental principles and rights at work – particularly the original four categories – serve as a shared foundation for many labour provisions in trade agreements, bilateral investment treaties, and certain due diligence laws, as well as numerous non-regulatory initiatives, many other initiatives examined extend to a broader range of human rights issues, while others, such as transparency laws often focus specifically on forced labour (with or without explicit reference to the relevant ILO standards).

¹⁸³ For example, the case of Bangladesh, as documented in Julia Cajal-Grossi, Canyon Keanu Can, and Rocco Macchiavello, "Is Better Work Better?: Empirical Patterns from the Garment Sector in Bangladesh", Geneva Graduate Institute & London School of Economics (2022); Julianne Reinecke and Jimmy Donaghey, "From Constructive Ambiguity to Escalating Commitment: The Evolution of the Bangladesh Accord as a Transnational Institution for Collective Action", *Administrative Science Quarterly* 0, No. 0 (2025); Stephen Frenkel and Elke Schuessler (2021) "From Rana Plaza to COVID-19: Deficiencies and opportunities for a new labour governance system in garment global supply chains", *International Labour Review* 160 (4); Mark Anner, "Three Labour Governance Mechanisms for Addressing Decent Work Deficits in Global Value Chains", *International Labour Review* 160, No. 4 (2021): 611-629; Youbin Kang (2021) "The rise, demise and replacement of the Bangladesh experiment in transnational labour regulation " *International Labour Review* 160(3); Naila Kabeer et al (2020) "Paradigm Shift or Business as Usual? Workers' Views on Multi-stakeholder Initiatives in Bangladesh" *Development and Change* 51(5); Chikako Oka et al (2020) "Buyer Engagement and Labour Conditions in Global Supply Chains: The Bangladesh Accord and Beyond", *Development and Change* 51(5).

¹⁸⁴ ILO, *Gap analysis* (2021), p. 9.

¹⁸⁵ KPMG, *Review of the effects of the Norwegian Transparency Act*, commissioned by the Ministry of Children and Families, 2024, Sarosh Kuruvilla, *Private Regulation of Labor Standards in Global Supply Chains: Problems, Progress, and Prospects* (NY: ILR Press, 2021); Sarosh Kuruvilla et al., "Field opacity and practice-outcome decoupling: private regulation of labor standards in global supply chains", *ILR Review* 73, No. 4 (2020).

Greater coherence may be achieved through the alignment of different approaches and frameworks, within or between jurisdictions, and of general scope or related to particular issues. International labour standards, for example, provide a global framework for labour rights, while domestic law provides a similar universal consistency on a national scale and international framework agreements at sectoral scale. Either of these or other frameworks would need to be articulated with and complemented by other initiatives that support their implementation in practice, such as labour market institutions, enforcement and incentives. Standardised and clear requirements for compliance with legal frameworks, awareness-raising, knowledge-sharing, dialogue and access to justice should be interconnected and mutually supportive to ensure effective impact in relation to decent work in supply chains.

As noted in the 2021 Gap Analysis, international labour standards regulate the world of work in individual Member States, but these instruments often include measures to ensure that countries can take full advantage of international cooperation. Further, “[t]he global nature of many themes impacting the world of work at the national level, as well as the increasingly global linkages between businesses in countries, is recognized by some instruments.”¹⁸⁶ There is substantial interplay between the mechanisms examined, and greater coordination and alignment at the international level would foster coherence thereby achieving larger impact. The current global context underscores the potential value of greater coordination on this issue, between Member States, as well as with other international organizations. The volatile trading landscape calls for sustainable solutions and greater coherence between social, trade, and investment policies to achieve a level playing field for shared benefit.

► 3. Certainty and sustainability shape impact and effectiveness

Both State duties and corporate responsibilities will be more effective and impactful if mechanisms addressing decent work deficits in supply chains are clear, predictable and sustainable. Well-defined and proportional rules provide certainty and an opportunity to contribute to fairer, more resilient, and more sustainable relationships among stakeholders. However, conforming to regulatory requirements or meeting voluntary commitments can require substantial initial investment. When initiatives are certain over time, implementation becomes more feasible in terms of the commitment of resources. Awareness and capacity both take time to build and are essential for constructive stakeholder engagement. Commitment to an initiative is influenced by trust in its longevity and belief in its financial and political stability. These are in turn influenced and informed by buy-in and inclusion of different supply chains actors, equipped with knowledge, information and capacity. Certainty and sustainability are key factors that shape the effectiveness of initiatives aimed at promoting labour rights in supply chains.

► 4. Governments and businesses hold distinct, complementary and pivotal roles in relation to decent work in supply chains

The UNGPs are “based on recognition of: (a) States’ existing obligations to respect, protect and fulfil human rights and fundamental freedoms; (b) The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights”.¹⁸⁷ Similarly, the MNE Declaration also distinguishes between the role of governments and enterprises, offering distinct guidance to each, in addition to employers’ and workers’ organizations, to realize decent work. Governments carry the primary duty to protect human rights by establishing and enforcing effective laws, policies, and regulatory frameworks that prevent abuse and provide access to remedy, including ensuring the strategic direction in relation to decent work in supply chains and determining the appropriate attribution of duties and responsibilities. Enterprises, in comparison, are responsible for ensuring compliance with legislation, for avoiding causing or contributing to adverse human rights impacts, and for seeking to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts in supply chains in practice. State-led initiatives and corporate-led initiatives to address decent work deficits in supply chains are often complementary.

¹⁸⁶ ILO, *Gap analysis* (2021), p. 34.

¹⁸⁷ United Nations Guiding Principles on Business and Human Rights (2011), General Principles.

Ensuring the implementation of robust national legal frameworks is central for advancing decent work in supply chains.¹⁸⁸ As stated in the ILO Gap Analysis, “broadly speaking, the ILO normative corpus addresses most of the decent work deficits that are associated with supply chains. This is subject to the caveat that this is so when such measures are ratified (in the case of Conventions and Protocols), fully implemented, and applied to all relevant segments of the workforce. ILO normative instruments establish clear substantive and procedural labour standards that correspond to many of the key decent work deficits that can be identified across a range of diverse supply chains. That is, if existing international labour standards were appropriately ratified and implemented, decent work deficits in supply chains would – in principle – be significantly reduced.”¹⁸⁹ Regulatory initiatives such as international labour standards, national labour laws, and labour market institutions normally have the broadest coverage of the labour market, and are applicable to employees and employers whether or not they are part of a supply chain. When appropriately implemented and enforced, they are a critical component of good governance and the rule of law in any given country.

At the same time, two sets of challenges arise in relation to decent work in supply chains. The first relates to issues of extra-territorial impact of laws and consistency between different regulatory environments are raised: as stated in the ILO Gap Analysis, “[i]n normative terms, key challenges relating to cross-border or extraterritorial jurisdiction and access to remedy are relevant only to those supply chains that entail cross-border movement of goods or services (including cross-border recruitment of labour). Given the generally national-level focus and responsibilities of ILO constituents, and that responsibility for the application of international labour standards occurs within national borders, the cross-border element of supply chains’ intersection with decent work is an additional challenging aspect.”¹⁹⁰ Secondly, in the situation where goods and materials and services involve several distinct and different employers, given that labour governance structures are often confined to application to specific employee or worker–employer relationships.¹⁹¹ The ILO Gap Analysis states that “A key question concerns responsibility for decent work and employment practices in supply chains, when employers are distinct legal entities from other enterprises in the chain with which they do business. While some domestic and global supply chains are highly integrated, and are owned or controlled by a single entity, workers in other supply chains are employed by parties which are legally distinct from the buyers of the goods or services flowing through the supply chain. Who takes responsibility for labour rights in business relationships such as these, where decisions and actions made by one party may significantly impact the employment conditions of workers who are legally engaged by another party? [...] Most supply chains are characterized by varying degrees of segmentation, involving the interaction of different legal entities in production networks. These relationships are commercial in nature; they are business relationships which are not typically regulated by national labour legislation. In many cases supply chain actors are separate legal entities, with obvious implications for legal liability. Traditional national and international labour law does not place responsibilities on an enterprise (the ‘buyer’) in relation to labour practices at a third-party enterprise (the ‘supplier’) with which the enterprise does business. ILO instruments generally operate on an expectation of a direct employment relationship between a worker and an employer.”¹⁹²

These two challenges have led to the emergence of many non-regulatory initiatives that aim to address the cross-border element of supply chains as well as their complex commercial relationships, leveraging market incentives for their enforceability; however, this approach tends to limit their effectiveness, especially in domestic supply chains. Indeed, the effectiveness of voluntary initiatives is linked to the

¹⁸⁸ Raymond Robertson (2022). “Improving labor compliance in developing countries”, Mosbacher Institute for Trade, Economics and Public Policy.

¹⁸⁹ ILO, *Gap analysis* (2021), 6.

¹⁹⁰ ILO, *Gap analysis* (2021), 9.

¹⁹¹ ILO, *Gap analysis* (2021), 6.

¹⁹² ILO, *Gap analysis* (2021), 25-26.

enabling regulations provided by the State, such as respect for freedom of association and the realization of the right to collective bargaining.¹⁹³

States' and business' pivotal and complementary roles are also evidenced by their intersecting responsibilities related to access to remedy, as foreseen in Pillar 3 of the UNGPs and further discussed in Insight 7 below. Therefore, cooperation and collaboration between Governments, between private sector actors, and between the two, in relation to the way forward will be crucial.

► **5. Strong institutions, good governance, rule of law, are key – yet, few initiatives focus on the root causes and drivers of decent work deficits**

Strong institutions, good governance and rule of law are fundamental to ensuring labour rights in supply chains, and national labour market institutions and laws remain the first line of defence against decent work deficits.

Effective access to healthcare and social protection, income security and sound and effective national OSH management systems are critical complements to any regulatory and non-regulatory initiative in supply chains. However, national governance structures often lack capacity, with a detrimental impact on compliance with the requirements of labour rights in supply chains. The ILO Gap Analysis notes that “Governments have different levels of capacity and resources to effectively monitor and enforce compliance” and that “the relative strength of labour administration, inspection and enforcement mechanisms can lead to decent work deficits. Typical challenges to labour law enforcement anywhere include constraints on human and financial resources, including training and overall capacity of inspectorates.”¹⁹⁴

State duties include enforcing those rights through a system that is timely, fair, feasible and effective. The impact of regulatory and non-regulatory initiatives relies on State duties and corporate responsibilities being effectively implemented and applied across the workforce. As global supply chains present challenges affecting this impact,¹⁹⁵ consistency between Member States, including in the case of non-regulatory initiatives that aim to cover numerous countries, is desirable.

The analysis shows that few of the groupings of regulatory and non-regulatory initiatives and mechanisms aim to address the root causes and drivers of decent work deficits in supply chains. Notably, root causes and drivers of decent work deficits include structural obstacles such as informality, where workers in the informal economy are excluded from regulatory guarantees of their rights. Other drivers include limited governance and regulatory capacity, including a lack of rule of law, corruption and limited political will, as well as challenges caused by supply chain dynamics and the regulation of indirect employment relationships,¹⁹⁶ all of which inevitably affect the impact and effectiveness of the initiatives addressing decent work deficits in supply chains. Rather than directly addressing these systemic challenges, regulatory and non-regulatory initiatives often focus on remedying the decent work deficits by addressing the way in which they impact on supply chains. While mechanisms such as import bans,¹⁹⁷

¹⁹³ In recognition of this complexity, the MNE Declaration is addressed to both host and home country policy makers and encourages dialogue between the home and host countries on issues of mutual concern (paras 10 and 12).

¹⁹⁴ ILO, *Gap analysis* (2021), 14.

¹⁹⁵ ILO, *Gap analysis* (2021), 9.

¹⁹⁶ ILO, *Gap analysis* (2021), 9; ILO, *Purchasing practices and working conditions in global supply chains: Global Survey results*, INWORK Policy Brief No.10, 2017; ILO, *Purchasing practices and working conditions in global supply chains Results from field work in Bangladesh, China, India, South Africa, and Turkey*, 2021; Marc Starmanns, “Purchasing practices and low wages in global supply chains: Empirical cases from the garment industry”, ILO Conditions of Work and Employment Series No. 86, 2017.

¹⁹⁷ Remedy Project. 2023. *Putting Things Right: Remediation of Forced Labour under the Tariff Act 1930*; Ebert, F. C., Francavilla, F., Guarcello, L. (2023). “Tackling Forced Labour in Supply Chains: The Potential of Trade and Investment Governance”. In M. Corley-Coulibaly, F. C. Ebert and P. Sekerler Richiardi, eds., *Integrating Trade and Decent Work Volume II: The Potential of Trade and Investment Policies to Address Labour Market Issues in Supply Chains*. Geneva: International Labour Office, pp. 103–138.

safeguard policies of development finance institutions¹⁹⁸ and trade preference schemes¹⁹⁹ may have led to tangible remedial action addressing labour rights, they are not generally designed to address root causes,²⁰⁰ and structural factors such as weak governance, corruption and insufficient protection of migrant workers are likely to affect the effectiveness of the mechanisms. Furthermore, many non-regulatory initiatives tend to focus on first-tier suppliers in supply chains and have limited impact in addressing informality and other root causes of decent work deficits. There is therefore a gap in initiatives focusing on the root causes and drivers of decent work deficits in supply chains.

► 6. An enabling environment for sustainable enterprises is critical

Linked to insight 5 above, a conducive environment for sustainable enterprises²⁰¹ is essential to ensure that enterprises contribute to broader social and economic goals, including decent work and sustainable development. When governments establish clear rules, uphold the rule of law, and ensure fair and consistent enforcement, enterprises can operate with confidence and accountability, fostering innovation and creating quality jobs. Strong institutions also foster social dialogue, protect labour rights, and provide mechanisms for resolving disputes, in turn contributing to building trust between employers, workers, and communities, fostering fair competition, enhancing competitiveness, and supporting business resilience. Building an enabling environment therefore not only supports enterprise sustainability but also fosters the conditions necessary to ensure decent work in supply chains.

► 7. Access to effective remedy is often a challenge

The UNGPs and the MNE Declaration highlight that States must take appropriate steps to ensure that when abuses occur within their territory and/or jurisdiction those affected have access to effective remedy, and calls on States to consider how to facilitate access to effective non-State based grievance mechanisms dealing with business-related human rights harms. In this respect, Output 9 of the Supply Chain Strategy calls on the ILO to support governments, employers' and workers' organizations, and multinational and national enterprises to take appropriate steps to ensure access to effective remedy for workers whose rights have been infringed in business operations. The 2021 Gap Analysis noted that in certain contexts, significant challenges remain for "[w]orker access to grievance, dispute resolution and remedy mechanisms, whether through judicial or non-judicial routes".²⁰²

There is substantial variation across the mechanisms examined, both in the remedy processes provided and in their practical use. National legal frameworks provide judicial, non-judicial and/or quasi-judicial systems, though access to these processes may be limited by legal and practical barriers.²⁰³ A number of ILO standards emphasize the importance of access to justice and remedies²⁰⁴ with two standards on forced labour calling for access to remedies across jurisdictions.²⁰⁵

¹⁹⁸ See the examples in Ebert, Franz Christian. 2020. "Labour Safeguards of International Financial Institutions: Can They Help to Avoid Violations of ILO Core Labour Standards?" *European Yearbook of International Economic Law* 2019 10: 107–132.

¹⁹⁹ See further Elliott, K.A. & Freeman, R. (2003). *Can Labor Standards Improve under Globalization?* Washington, D.C.: Institute for International Economics.

²⁰⁰ Some labour provisions in trade agreements include provisions related to capacity building of domestic institutions. Corley-Coulibaly, Marva, Gaia Grasselli, and Ira Postolachi. 2023. *Promoting and Enforcing Compliance with Labour Provisions in Trade Agreements: Comparative Analysis of Canada, European Union and United States Approaches and Practices*. ILO.

²⁰¹ ILO, *Conclusions concerning the promotion of sustainable enterprises* (2007).

²⁰² ILO, *Gap analysis* (2021), 14.

²⁰³ *Conclusions of the Tripartite Technical Meeting on Access to Labour Justice for All: Prevention and resolution of labour disputes* (2025) (TMALJ/2025/6) para 5.

²⁰⁴ See Annex 1 of the Report for the Tripartite Technical Meeting on Access to Labour Justice for All – *Main provisions of international labour standards related to access to labour justice* (2025). For example, Art. 4(2)(e) of the *Violence and Harassment Convention, 2019* (No. 190), Art. 9(2) of the *Home Work Convention, 1996* (No. 177) and Article 14(3) of the *Private Employment Agencies Convention, 1997* (No. 181).

²⁰⁵ The Protocol of 2014 to the Forced Labour Convention, 1930 (No. 29) and Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203) Para. 12(e).

There are many labour dispute prevention and resolution mechanisms established in the context of supply chains, with a wide variation in their accessibility and effectiveness.²⁰⁶ Certain trade agreements and development finance institutions provide for third-party complaint mechanisms to address alleged non-compliance, while a limited number of due diligence laws establish legal remedies for individuals harmed by corporate non-compliance.²⁰⁷ Approximately half of transparency and mandatory due diligence laws incorporate grievance mechanisms accessible to victims or, in some cases, third parties.²⁰⁸ Some of these statutes require firms to establish internal complaint procedures.²⁰⁹ Company and industry codes of conduct, certification frameworks, and multi-stakeholder initiatives, often support businesses in creating and participating in operational-level grievance mechanisms. Certain agreements within social partner initiatives establish independent complaint mechanisms enforceable through binding arbitration.

Despite the proliferation of remedy mechanisms, gaps in access to labour justice persist.²¹⁰ As noted in the 2021 Gap analysis, “[a]ccess to judicial mechanisms can be impeded by, inter alia, costs, delays, lack of representation and lack of capacity within administrative or judicial bodies. In some cases, penalties may not be adequate to promote compliance and remedies may not be sufficient to compensate or otherwise make good harm suffered by victims. At the enterprise level, forms of dispute resolution and redress (commonly via operational level grievance policies and procedures) may be underdeveloped or underutilized, particularly where systems of worker representation are weak. Certain groups such as migrants, women or informal economy workers, and occupations such as domestic or agricultural workers, may face additional barriers to accessing grievance mechanisms and remedy.”²¹¹ In this regard, the conclusions of the Tripartite Technical Meeting on Access to Labour Justice for All (2025) emphasized that access to labour justice is essential for advancing decent work and good governance, and called on the ILO to provide support to governments, employers’ and workers’ organizations, and multinational and national enterprises, in taking appropriate steps to ensure access to effective remedy for workers whose rights have been infringed in business operations, and support effective grievance procedures in line with the MNE Declaration.²¹²

► **8. Full involvement of workers, employers and their organizations, including clear and appropriate attribution of roles and responsibilities, is key**

Cooperation between stakeholders at the workplace, national and cross-border levels, including between Member States, will be key. Social dialogue will ensure the legitimacy and sustainability of initiatives, thus contributing to their impact and effectiveness. The active involvement of employers, workers and their organizations in the development, adoption, implementation and review of any initiative in relation to labour rights in supply chains critically contributes to impact. There is substantial variation in the mechanisms explored. Some are by design centred around tripartism and social dialogue, others involve social partners through stakeholder engagement, and in certain initiatives, there is no role for meaningful contribution from the social partners. This can be through participation in advisory bodies on procurement frameworks, through participation in stakeholder engagement processes under development finance institutions’ safeguard policies, certain due diligence laws and some trade agreements, or as petitioners raising issues under import bans. Conversely, the impact and effectiveness of early corporate-led initiatives had been limited by the lack of involvement of worker organisations. This

²⁰⁶ Conclusions of the Tripartite Technical Meeting on Access to Labour Justice for All: Prevention and resolution of labour disputes (2025).

²⁰⁷ French Duty of Vigilance Law (2017); and EU Corporate Sustainability Due Diligence Directive 2024/1760.

²⁰⁸ One OECD study examined 14 supply chain sustainability laws, noting that seven of these include a public grievance mechanism, establishing a pathway for victims or third parties to notify authorities about labour rights violations. Jaax, A., and E. van Lieshout. *Mapping Efforts to Protect Worker Rights in Supply Chains*. OECD Trade Policy Papers, No. 291. OECD Publishing, Paris, 26 February 2025.

²⁰⁹ EU Corporate Sustainability Due Diligence Directive 2024/1760, German Supply Chain Act, Norwegian Transparency Act 2022.

²¹⁰ Report for the Tripartite Technical Meeting on Access to Labour Justice for All (February 2025).

²¹¹ ILO, *Gap analysis* (2021).

²¹² Conclusions of the Tripartite Technical Meeting on Access to Labour Justice for All: Prevention and resolution of labour disputes (2025).

led to the emergence of a new generation of more inclusive initiatives, such as multi-stakeholder initiatives and social partner-led initiatives, including worker-driven social responsibility initiatives, transnational industrial relations agreements and enforceable brand agreements which have contributed to promoting collective bargaining in a supply chain context, as well as more inclusive design of more recent corporate initiatives, such as industry-wide coalitions and certification mechanisms.

Ensuring meaningful dialogue at different levels, including attribution of roles and duties and responsibilities of governments, employers and workers in this regard, will be important in terms of practical impact. Ensuring that the dialogue is part of a coherent and strategic approach will be equally important, as will be ensuring that stakeholders are informed and capacitated by access to information on decent work deficits and best practices on how to address them.

Social dialogue at the national level remains crucial for achieving decent work in supply chains, and cross-border social dialogue can play a role in addressing mismatches between the scope of activities of transnational actors those that remain largely embedded at the national level.²¹³ To this end, the MNE Declaration supports cross-border dialogue through its operational tools, including by encouraging the host and home country governments of MNEs to engage in consultations to promote good social practice by MNEs operating in their territories, or their MNEs operating abroad, and to be prepared to have consultations with each other.

The ILO is uniquely placed to guide a globally relevant approach to enable its constituents to pursue decent work in supply chains, taking into account national context. As a tripartite organization, the ILO is well-suited to address and facilitate social dialogue, capacity-building and creative collaborations between constituents and stakeholders. As a normative institution, it is well-suited to address issues of governance, access to justice and consensus on coherent rules. As a global institution, the ILO is well-suited to address all aspects of decent work, including the challenging cross-border aspects, through ensuring collaboration and cooperation between countries and social dialogue within and across borders, recognising that supply chains can be used as entry points to drive compliance in this regard. The insight that few initiatives focus on the root causes and drivers of decent work deficits is also of particular relevance to the ILO, with its expertise in addressing drivers of decent work such as the transition to formality and building governance and regulatory capacity in the labour market through tripartite social dialogue.

The insights in this document provide a way forward for the Office to develop options for possible 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. Options will be developed through a process informed by the knowledge gained through the mapping, analysis and these insights, and extensive tripartite consultations. The resulting options paper will be submitted for discussion by the Governing Body in March 2026.

²¹³ See for example, [Issues paper for the Technical Meeting on the Future of Work in the Automotive Industry \(2021\)](#), paragraph 174.