



Recommendation of the Council on
the OECD Due Diligence Guidance
for Responsible Supply Chains
in the Garment and Footwear
Sector



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Date(s)

Adopted on 17/05/2017

Background Information

The Recommendation on the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector was adopted by the OECD Council on 17 May 2017 on the proposal of the Investment Committee. The Recommendation calls on Adherents to actively promote the use and support the adoption of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (Guidance) by enterprises operating in or from their territories. The Guidance establishes a common understanding of due diligence in the sector to help companies meet expectations on due diligence laid out in the OECD Guidelines for Multinational Enterprises. The Guidance, which was developed through a multi-stakeholder process, was approved by all governments adhering to the OECD Guidelines and endorsed by business, trade unions and civil society. It is a direct response to the G7 Leaders' Declaration on 7-8 June 2015 in Schloss Elmau which welcomed international efforts to promulgate industry-wide due diligence standards in the textile and ready-made garment sector. The Guidance is applicable to all companies – large and small – operating in global garment and footwear supply chains.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Declaration on International Investment and Multinational Enterprises [C(76)99/FINAL], the Decision of the Council on the OECD Guidelines for Multinational Enterprises [C(2000)96/FINAL as amended by C/MIN(2011)11/FINAL] (hereafter the “Decision on the Guidelines”), the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas [C/MIN(2011)12/FINAL, as amended by C(2012)93], the Recommendation of the Council on the Policy Framework for Investment [C(2015)56/REV1], the Recommendation of the Council on the OECD-FAO Guidance for Responsible Agricultural Supply Chains [C(2016)83] and the Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector [C(2016)100];

RECALLING that the common aim of governments recommending the observance of the Guidelines for Multinational Enterprises (hereafter the “Guidelines”) is to promote responsible business conduct;

RECALLING FURTHER that the Decision on the Guidelines provides that the Investment Committee shall, in co-operation with National Contact Points, pursue a proactive agenda in collaboration with stakeholders to promote the effective observance by enterprises of the Guidelines with respect to particular products, regions, sectors or industries;

CONSIDERING the efforts of the international community, in particular the International Labour Organization, to promote responsible supply chains in the garment and footwear sector;

RECOGNISING that building responsible supply chains in the garment and footwear sector is critical to sustainable development, promoting inclusive growth particularly for women who make up the overwhelming majority in this sector, respecting labour and human rights, and meeting international standards on the environment;

RECOGNISING that governments, international organisations, enterprises and civil society organisations can draw on their respective competences and roles to build responsible garment and footwear supply chains that benefit society at large;

NOTING that due diligence is an on-going, proactive and reactive process through which enterprises can prevent and mitigate adverse impacts related to human rights, labour rights, environmental protection, and bribery and corruption in their own operations and in their supply chains;

HAVING REGARD to the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector [C(2017)63/ADD1] (hereafter “the Guidance”), that may be modified as appropriate by the Investment Committee;

NOTING that this Guidance proposes a framework for due diligence describing the processes that enterprises should follow to identify, assess, mitigate and account for how they address the actual and potential adverse impacts associated with their activities or business relationships and includes detailed measures for preventing such impacts in relation to child labour, sexual harassment and sexual and gender-based violence in the workplace, forced labour, working time, occupational health and safety, trade unions and collective bargaining, wages, hazardous chemicals, water, greenhouse gas emissions, bribery and corruption, and responsible sourcing from homeworkers.

On the proposal of the Investment Committee:

I. RECOMMENDS that Members and non-Members adhering to this Recommendation (hereafter the “Adherents”) and, where relevant, their National Contact Points to the Guidelines (hereafter the “NCPs”), actively promote the use of the Guidance by enterprises operating in or from their territories with the aim of ensuring that they observe internationally agreed standards of

responsible business conduct in garment and footwear supply chains in order to prevent the adverse impacts of their activities and contribute to sustainable development;

II. RECOMMENDS, in particular, that Adherents take measures to actively support the adoption of the due diligence framework for responsible supply chains in the garment and footwear sector set out in the Guidance by enterprises operating in or from their territories;

III. RECOMMENDS that Adherents and where relevant their NCPs, with the support of the OECD Secretariat, ensure the widest possible dissemination of the Guidance and its active use by enterprises (including raw material and fibre producers, material manufacturers and processors, components manufacturers, footwear and garment manufacturers, brands, retailers and their intermediaries), as well as promote the use of the Guidance as a resource for stakeholders such as industry associations, trade unions, civil society organisations, multi-stakeholder initiatives, and sector-initiatives, and regularly report to the Investment Committee on any dissemination and implementation activities;

IV. INVITES Adherents and the Secretary-General to disseminate this Recommendation;

V. INVITES non-Adherents to take due account of and adhere to the present Recommendation;

VI. INSTRUCTS the Investment Committee to monitor the implementation of the Recommendation and to report to Council no later than five years following its adoption and as appropriate thereafter.

Adherents*

OECD Members

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Japan
Korea
Latvia
Lithuania
Luxembourg
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