Annual Report on the OECD Guidelines for Multinational Enterprises 2013
Responsible Business Conduct in Action

Chapter 4

Inaugural Global Forum on Responsible Business Conduct

This annual Global Forum, held for the first time in 2013, aims strengthen the international dialogue on responsible business conduct and contribute to the effective implementation of the Guidelines. *The inaugural meeting addressed the Rana Plaza tragedy as a matter of priority along with other emerging challenges to help businesses address the core challenge of how to do well while doing no harm in an effort to contribute to sustainable development and enduring social progress.*

Acknowledgements

The inaugural meeting of the Global Forum brought together over 80 speakers representing governments, businesses, trade unions, and civil society with 500 participants to provide insights and exchange views about the core challenges and opportunities in the global RBC field. The OECD Investment Committee wishes to thank the speakers, the audience, stakeholder organisations (BIAC, TUAC, and OECD Watch), and partner international organisations for their contribution in making the Global Forum a success. Special appreciation goes to the following lead speakers:

- **Christine Albanel,** Executive Vice-President, Orange Group and former Minister of Culture andCommunications, France
- **Nicole Bricq**, Minister of Foreign Trade, France
- **Sharan Burrow**, General Secretary, International Trade Union Confederation
- **Pascal Canfin**, Minister for Development, Ministry of Foreign Affairs, France
- **Juan Guillermo Castro**, Vice-President of Promotion, National Mining Agency, Colombia
- **George Cohen**, Director, US Federal Mediation and Conciliation Service
- **Carlos Márcio Bicalho Cozendey**, Secretary for International Affairs, Ministry of Finance, Brazil
- **Jose W. Fernandez**, Assistant Secretary, Economic and Business Affairs, State Department, United States
- **Noeleen Heyzer**, Executive Secretary, UN Economic and Social Commission for Asia and the Pacific
- **Gilbert Houngbo**, Deputy Director-General for Field Operations and Partnerships, International Labour Organisation
- **Richard Howitt**, European Parliament Rapporteur on Corporate Social Responsibility, European Union
- **Dipu Moni**, Minister of Foreign Affairs, Bangladesh
- **Christiaan Rebergen**, Vice-Minister and Deputy Director General, International Co-operation, Ministry of Foreign Affairs, Netherlands
- **Simon Smits**, Vice-Minister for Foreign Economic Relations, Ministry of Foreign Affairs, Netherlands

The Investment Committee would also particularly like to thank the Senior Associate Dean of International Business and Finance Bhaskar Chakravorti from the Fletcher School of Law and Diplomacy, the Netherlands National Contact Point, ORSE Finance Club of France, Shift, Institute for Business and Human Rights and *Institut Responsabilité Sociétale de l'Entreprise Management* for their active role in the organisation of the Forum.

Key findings

Responsible business conduct has emerged as a key priority in the global economic agenda. The convergence in international standards and principles on what constitutes responsibility, centred around the *Guidelines* and the 2011 UN Guiding Principles for Business and Human Rights (the UN Guiding Principles), has resulted in significant advances in understanding how businesses should avoid and address societal risks and how governments can support and promote responsible practices. The result is a more predictable business environment that guides enterprises on how to meet their responsibilities and that enables stakeholders to hold them accountable to reasonable standards. These advancements are also echoed in the evolution of national RBC approaches, notably in government policies of major emerging economies and new investment frontiers.

These developments represent an unprecedented consensus on what constitutes RBC and have raised the expectations from and for all stakeholders to ensure that this historical opportunity to turn ideas into action is not missed. Integrating propriety, integrity, and transparency into markets is a collective duty. Governments have a responsibility to protect internationally recognised fundamental rights and to ensure good governance, fair regulations, and transparency. Businesses must acknowledge that their freedom to operate globally also carries a responsibility for their impact locally – adopting responsible practices that take into account both the bottom line and the impact of their activities is now a baseline expectation of behaviour. Trade unions and civil society can help ensure accountability and provide a voice for the most disadvantaged. International organisations can provide a forum for dialogue, peer learning, standard setting, analysis, and best policy recommendations.

However, consensus on a policy level does not automatically translate into successful implementation on the ground. The April 2013 Rana Plaza tragedy in Bangladesh is a stark reminder of the major gaps between theory and practice in the international business environment. This largest industrial accident in history, symptomatic of underlying structural problems that have plagued the field for years, is a wake-up call to all parties about the need to address significant breakdowns in supply chains, processes of production and distribution, manufacturing, and throughout the entire value chain. Governments and businesses need to heed that wake-up call to ensure there is a before and an after Rana Plaza in the global economy.

The Global Forum was launched by the OECD in 2013 to strengthen international dialogue on RBC and to enhance the synergies between corporate responsibility instruments on all levels, including the *Guidelines*. Discussions were held in five thematic sessions and two special events:

- Trends in Responsible Business Conduct.
- Bangladesh: The Way Forward and Implications for the Textiles Sector Globally.
- *OECD Guidelines for Multinational Enterprises* and the Global RBC Agenda.
- Responsible Business Conduct and the Financial Sector.
- Stakeholder Engagement and Due Diligence in the Extractive Sector.
- Special Event: Disclosure and Reporting.
- Special Event: Responsible Business Conduct in the ICT Sector.

Each session was purposefully structured as a panel discussion to encourage dynamic exchanges among participants from governments, businesses, trade unions, and civil society. The broad message that has emerged from this discussion is that RBC is a crucial element in inducing change and that the Global Forum, as the first multi-stakeholder platform for integrating corporate responsibility into the global economic agenda, can play an important and convening role. The following summary report reflects the main outcomes of the discussion. It is organised according to each session and the main themes and highlights of the discussion.

Trends in responsible business conduct

CHAIR	**Richard Boucher**, Deputy Secretary-General of the OECD
MODERATOR	**Bhaskar Chakravorti**, Senior Associate Dean, International Business and Finance, Fletcher School of Law and Diplomacy and Executive Director, Institute for Business in the Global Context and the Center for Emerging Markets Enterprises
PANELLISTS	**Christine Albanel**, Executive Vice-President, Corporate Social Responsibility, Events, Partnerships and Philanthropy, Orange Group and former Minister of Culture and Communications, France **Jérôme Bédier**, General Secretary, Executive Management, Carrefour Group **Sharan Burrow**, General Secretary, International Trade Union Confederation **Jose W. Fernandez**, Assistant Secretary, Economic and Business Affairs, State Department, United States **Alexandra Guaqueta**, Member, UN Working Group for Business and Human Rights **Dhanendra Kumar**, Principal Advisor, Indian Institute of Corporate Affairs **Noeleen Heyzer**, Executive Secretary, UN Economic and Social Commission for Asia and the Pacific **Kekeletso Mashigo**, Director, Multilateral Organisations, International Trade and Economic Development, Department of Trade and Industry, South Africa **Marcio Senne de Moraes**, Head, Corporate Affairs, Europe and North America, Vale **Mikael Anzén**, Vice-Chair, Sustainable Development Working Group, Arctic Council and Ministry for Foreign Affairs, Department for Eastern Europe and Central Asia, Sweden

The objective of the opening plenary was to set the tone for the Global Forum by providing an overview of the current trends in RBC in light of the increased convergence in international principles and standards on what constitutes RBC. Government representatives from advanced, emerging, and developing economies came together with business representatives from three different sectors, labour and civil society to discuss ways in which governments promote RBC and engage the private sector in support of sustainable development goals, as well as the most effective ways businesses integrate RBC principles into operations. The main highlights of this rich and multi-faceted discussion follow.

Shifting centre of global economic activity

A number of panellists felt that the centre of gravity of global economic activity is shifting to developing economies and that there is danger that the challenges in translating RBC principles into practice could become amplified because the necessary institutions might not have had the time to catch up with rapid market changes. The example of Asia illustrates both the potential and the pitfalls of such circumstances. The panellists felt that although the perceived shift of manufacturing to Asia over the last two decades has spurred the region's unprecedented growth, that fast growth did not equal inclusive growth. Asia today is the home of both high-growth economies and least-developed countries and the region faces rising inequality, declining middle class, and significant sustainability issues. The current export-based growth model might prove insufficient in light of the declining global export markets. These panellists felt that fulfilling the full potential of the "Asian Century" would depend on integrating Asia's most disadvantaged into the formal markets. The bottom billion people represent a severely under-served and under-consuming segment of the population. Investments in infrastructure that serves them and in their productivity and financial inclusion would undoubtedly increase the aggregated demand of the entire regional market. Thus, closing the existing gaps would not merely be a development goal – it would also be a business opportunity and a source of new drivers of growth.

Getting rid of "responsible" in responsible business conduct

Majority of panellists felt that it would be smart business for enterprises to partake in the inclusion agenda, even if that might not be the primary objective for enterprises. One panellist particularly noted that in today's world of raised consumer consciousness, interconnectedness, and information sharing, profits should be viewed in the context of not adversely impacting the people and the planet. Moving away from the idea of shareholders to stakeholders, which include the communities in which businesses operate, would be necessary for enterprise's long-term sustainability. Most panellists felt that competing on the social dimension should not be the accepted modus operandi of business. There was a general consensus that better companies mean better lives which mean better business.

However, internalizing this idea in core business operations is a significant challenge. Making responsibility business-as-usual requires a paradigm shift in how responsibility is viewed in internal business decision-making processes. A number of panellists commented that it appears that a schism exists between business units that pursue core business and the units that support it (where RBC is generally relegated to), suggesting that decision-makers conduct themselves one way while responsible business conduct would require something quite different. This schism would need to be bridged to reflect that responsibility is an integral part of regular business practices. Everything that comes under the label of "responsibility" should be compatible and aligned with the natural incentive systems that drive managerial conduct. This might require making a number of trade-offs and/or re-conceiving the main objectives of the business. It might require a change of time horizon away from the focus on quarterly profits to a longer term view. It might require a shift in how cost models are built to reflect the view that competing on social dimension is not an acceptable practice.

Stacking the deck for mutual benefits

Although many MNEs demonstrate a respect for high standards of business conduct, there have been far too many recent examples of irresponsible – and, in several cases, criminal – conduct in international business. Some panellist felt that despite the recent advancements in understanding responsibility, absence of compliance, often based on exploitation and risk to people and the environment, is stacking the decks against workers and the global economy. The recent tragedy at Rana Plaza in Bangladesh underlines just how high the consequences of such systematic failures are.

Trade union representatives commented that in absence of strong regulation and/or compliance, trade unions and collective power building can be an important and effective lever for representing the interests of the most disadvantaged. Union action in Bangladesh resulted in the Accord on Fire and Building Safety in Bangladesh, a compliance-driven model based on dialogue and negotiation which could be replicated in other sectors or sectors. A comment was made that other players also have an important role – for example, the pressure is on institutional investors to focus on long-term capital that is invested in the real economy rather than double digit returns which are followed by a crash to the bottom. Another example would be consumer action that has historically achieved results, although of mixed success. All parties – not only enterprises – have a role to play in building a healthy business environment.

Completing the information grid

Several speakers said that one considerable barrier in the field of responsibility is that there is a lack of knowledge among all stakeholders about rules that govern business activity, universal human rights, and specific instruments that enshrine these rights, including the UN Guiding Principles and the *Guidelines*. Many businesses still do not fully understand the extent of their responsibilities, while their stakeholders might not understand the extent of resources available to them to ensure their basic rights are respected. Furthermore, lack of accessible and relevant information on the impacts of business activities in a given location presents an additional barrier. Due diligence process, as described in the UN Guiding Principles and the *Guidelines*, could help bridge these information gaps by bringing more disclosure, encouraging stakeholder engagement, and ensuring accountability from both inside and outside the business. This is particularly important considering that in many parts of the world agencies that can credibly monitor and report on business activities do not exist.

Responsibility of governments

There was an agreement that governments should meet their responsibilities for protecting internationally recognised fundamental rights and for improving the functioning of markets through good governance, fair regulations, and transparency. A particular comment was made that just as expectations are placed on businesses to embed responsibility into the core business, governments should also ensure that responsibility issues are an integral part of policy making. This could be done on multiple levels, both international and national. Speakers agreed that, for example, it is particularly important that policy coherence exist among all ministries as ministries that most often interface with business are not necessarily ministries directly in charge of RBC policy. On a multi-lateral level, governments could work together to ensure a level-playing field for business so that social or environmental dimensions do not unwittingly become a source of competitive advantage for business. This point is particularly important as new investment frontiers open, such as in the Arctic. Experience from other parts of the world would prove to be especially useful and governments could facilitate exchanges of those experiences, as the Arctic Council, for example, is already doing for the Arctic.

The unique approach that the 44 OECD and non-OECD adhering governments to the *Guidelines* take could be further replicated. These governments are placing concrete requirements on RBC not only on businesses, but also on the government itself. Adherent countries are obliged to set up NCPs, which are tasked with furthering the effectiveness of the *Guidelines* by undertaking promotional activities, handling inquiries, and providing a mediation and conciliation platform for resolving issues that arise from the alleged non-observance of the *Guidelines*. This makes the *Guidelines* the only international corporate responsibility instrument with a built-in grievance mechanism.

National approaches to RBC

Government representatives from three different economies shared their experiences and national approaches to RBC. All three of these governments view RBC as an integral part of their strategic objectives and actively promote it in order to maximise the positive contribution of business to sustainable development.

United States. The United States representative described the government's efforts to foster economic prosperity by helping businesses find the balance between profit and development objectives. For example, the international boom in infrastructure affords both a financially lucrative business opportunity as well as a means to achieve strategic development priorities. If, however, the collaborative approach does not work, the government has other levers such as the OECD Anti-Bribery Convention, which builds on the US Foreign Corrupt Practices Act; recent Dodd-Frank legislation that requires businesses sourcing minerals from conflict-affected areas to disclose certain information to the Securities and Exchange Commission; and mandatory reporting requirements for investors in Myanmar as a condition to the recent lifting of sanctions. These US reporting requirements are intended to promote transparency and to empower civil society to monitor the impacts of these investments.

The US representative asserted that multilateralism can be more challenging than bilateral efforts, yet it is vital to success on a global scale in terms of levelling the playing field. Two such examples, which involved difficult multilateral debates, are the *Guidelines* and the Kimberley Process with respect to rough diamonds. At the heart of these multilateral initiatives is the underlying notion that right behaviour should benefit business: MNEs can "do well by doing good".

India. The recent initiatives in India could effectively make it the first country in the world to mandate RBC. The Indian representative shared with the audience the new developments regarding the new Companies Bill, recently passed by the lower house of the Parliament and currently awaiting action in the upper house, which would mandate that 2% of total net profits of businesses of a certain size be spent on development-oriented activities. The Bill would require that a specific committee under the Board of Directors be created to formulate and implement RBC policy and report on these activities in the annual reports. Any shortfalls in the implementation of these requirements would also need to be reported on. Should a business fail to do so, punitive measures, including fines and imprisonment, could theoretically be applied against it. The objective of these measures would be to ensure integration of responsibility in core operations in order to safeguard the long-term sustainability of businesses that operate in India.

Ghandi's teachings and India's rich history of philanthropic activity heavily influence the ethos of the Indian government about the role of businesses in the society. The view that business has stakeholders rather than just shareholders is at the centre of the government's approach and is also enshrined in India's National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business, which largely align with the *Guidelines*. The Companies Bill, developed through intensive consultations with stakeholders and backed by business, attempts to give a proper shape to India's long philanthropic history in the legislative area.

South Africa. South African representative emphasized that South Africa actively promotes responsible business practices as part of solutions to reduce poverty, advance social equity, and ensure environmental protection through the King Codes. The Codes explicitly advocate the adoption of a triple bottom line approach and recognise that businesses should not and cannot operate in isolation from the communities in which they are located. Although the Codes are voluntary, they work in tandem with legislation that guarantees minimum rights of workers in terms of equality, labour rights, living standards, and health. The Codes are also backed by concrete action on a ministerial level, such as the Mine Medical Inspectorate that ensures health and safety in the mining sector through inspections. Additionally, the Codes propose an integrated reporting mechanism through which companies are expected to report annually on their impacts. This "apply or explain" approach is meant to foster an environment in which businesses actively partner with stakeholders to develop socio-economic impact assessment tools which would assist in identifying, understanding, and managing impacts and risks. Businesses that respect the rights of workers and understand and act on their responsibilities are the only businesses that can obtain a social licence to operate.

Embedding RBC: Business experiences from the ground

Three MNEs from three different sectors – telecommunications, mining, and retail – shared their perspective, best practices, and approaches on RBC from an operational level. Although these MNEs operate in very different markets and, thus, have differing needs, they do share some common approaches to RBC. For example, all three MNEs view RBC as an integral part of their operations that impacts the bottom line. Despite the continuous challenges of embedding his view through different tiers of the business, this is an encouraging development. Furthermore, all three MNEs view contracts as an important tool for enforcing responsibility within the supply chain. Finally, all three MNEs view RBC as an important way to create ecosystems with multiplier effects that in the end either directly or indirectly benefit their bottom lines.

Telecommunications sector. Panellist from the telecommunications MNE highlighted that RBC for them is much more than just cosmetics. It is a pre-condition to development, means of innovation, an important part of brand capital in a highly competitive environment, a way of building trust with all stakeholder and proof of listening to their expectations, needs, and wants. They use different levers to demonstrate their commitment to RBC.

- *Industry Initiatives.* A high value is placed in industry initiatives due to the nature of the telecommunications sector, especially when government action is lagging due to the rapid developments in the sector. For example, this MNE is a founding member of the Industry Dialogue on Human Rights, which is a group of telecommunication firms that jointly developed and committed to guiding principles that address the issues of freedom of expression and privacy of personal data as related to the telecommunications sector.
- *Procurement Policy.* At the cornerstone of this MNE's responsibility is its responsible procurement policy. This policy governs sourcing in the supply chain and all contracts with supplies include responsible purchasing clauses and commitments to uphold the corporate code of conduct. Quality is ensured through auditing. The MNE also took the initiative with other major European telecommunications operators to enter into joint audit co-operation, with a strong focus on improving working conditions. This approach is supported at the highest decision-making levels and, from 2010-12 resulted in remediation of 50% of non-compliance within the supply chain.
- *Telecommunications for Development:* The MNE's operations in Africa and the MENA region focus on the social and economic development of the countries in which it operates, thus contributing to the achievement of the Millennium Development Goals and the reduction of extreme poverty. One pillar of their development program is ensuring accessibility of technologies. Linking up remote villages through community phones, availability of mobile phones, and provision of Internet services has significantly increased penetration of technologies. These developments

make a real difference on the ground – one example is access to real-time price of agricultural commodities. Another example of value added services is a program that focuses on access to banking, which operates in 13 countries, has 6 million users, and serves a segment of population in Africa (80%) that has no access to bank accounts. Technologies can also have an impact on healthcare. For example, in the fight against infant mortality, mobile technologies enable mothers to send or receive information on their mobile phones about their own health or the health of their infants.

Mining sector. Due to the capital intensive nature of projects in the mining sector, a long-term view is necessary to ensure that return on investment is realised. This means that responsibility has to be a part of the core business from the start because of its direct impact on the bottom line. The panellist from an MNE that operates in the mining sector highlighted that achieving a return on investment and, at the same time fostering the establishment of solid social/political/environmental/economic legacies in host countries, is what sustainable development is all about. This happens through two main pillars of investment at the said MNE.

- *Infrastructure.* Mining projects generally take place in remote areas. In order to ship product out to the world markets, more often than not, significant infrastructure investments are needed. These investments, however, do not only benefit the enterprise, but also unleash other business possibilities.
- *Capacity-building.* This MNE's main way of capacity-building is through skills training for employees, resources invested in local suppliers, and support of initiatives in the public sector. Investing in local suppliers often had a multiplier effect – many suppliers often move from providing services only to the company to providing services to the entire market. In the same vein, support of public sector initiatives helps improve market predictability by contributing to functional government agencies and lasting regulatory frameworks.

The goal of these policies is to ensure that the mining project, often the first large-scale investment in the country, does not becomes the only project in the country, but, rather, that it unleashes other possibilities and becomes a catalyst for sustainable development. However, the panellist underscored that the mining project cannot be the only actor in trying to achieve sustainable development. Some basic pillars are needed in order to ensure that the extractive project will actually benefit the host country. For example, the government has to have a clear idea and a development plan so that the extractive projects can fit into the backbone of this plan. Second, a stable regulatory environment is needed in order for investors to be able to focus on the long-term.

Retail sector. The panellist representing an MNE in the retail sector highlighted that the sheer size of the MNE in question presupposes an active responsibility policy. Outside of the image and reputation benefits of acting responsibly, this MNE's customers have specific expectations on the products they are willing to buy. Thus, an active RBC policy is a necessity since RBC impacts the business bottom line. Two particular aspects – added value and labour norms – are the cornerstone of their RBC approach.

- *Sharing added value*. Supplier contracts, particularly for fresh produce and agricultural products, are one lever used to ensure that customer expectations are met. Contracts with suppliers across the world are used as means of upholding RBC principles and to reach agreements on pricing, quality, and regular supply. However, one major limit of this approach is that the MNE is unable to go against markets. If the prices change quickly, the contracts have to be adjusted accordingly. Remuneration of suppliers is sensitive to markets.
- *Labour standards*. Each supplier is also contractually obligated to meet International Labour Organisation's rules and standards. The main challenge is monitoring the actual implementation of these standards. In addition to quality audits, social audits by outside professional experts are used to monitor the supply chain. Furthermore, results and conclusions of audits are often shared with other companies in the field to promote best practices. In case where audits do not produce satisfactory results, what can realistically be done? In some cases, for example child or forced labour, response is obvious. Other times, the non-compliance is a more complicated issue. For example, is it possible to improve trade union presence considering the political situation in that country? Are labour standards sufficient in a broader sense? Regarding conflicting requirements that enterprises might face in different business environments, the *Guidelines* encourage the governments involved to co-operate in good faith to resolve any problems that might arise. The MNE also finds it difficult to find a consensus on concrete steps that could be taken in these more complex situations. Some stakeholders say social audits are enough, others say they don't mean much since nothing actually changes on the ground.

It is impossible for one single firm to change the reality of the business environment in which it operates. This is why this MNE places a lot of value on genuine exchanges and working with partners to discuss next steps. The Accord on Fire and Building Safety in Bangladesh is one example of how a solution-oriented dynamic process with multiple stakeholders helps move beyond initial barriers. Although time is needed to find the right solutions, the objective of such processes is to avoid competing on the basis of social standards.

A reality check

The significant advances that have been made in high-level international policy frameworks need to be matched on the implementation level. There appears to be a lack of balance between incentives and compliance. Some panellists highlighted that many stakeholders feel that too much emphasiz is being put on helping enterprises "be good" and not enough on ensuring rights of workers and protection of environment. The voluntary frameworks, in the absence of compliance, have limited benefits. Shaping the future will require the engagement of progressive enterprises that do not compete on the social dimension.

A number of panellists also felt that a missing piece in the responsibility discussion is the role of the consumer. It is often said that consumers would be willing to pay a certain amount more to ensure that tragedies like Rana Plaza do not happen again, but it is not always obvious if that is the case. Consumers often do not give proper signals to markets about their unwillingness to tolerate irresponsible practices, although that might be slowly changing in the recent years. All stakeholders, including governments that might create skewed incentives for competition by not enforcing existing laws, have to do their part to ensure the protection of social and environmental rights. The Global Forum can provide a platform for multi-stakeholder dialogue with a view to focus on results-oriented solutions.

Bangladesh: The way forward and implications for the textiles sector globally

The objective of this working session was to consider the immediate response to the Rana Plaza tragedy, to discuss the need for further action, to assess the wider implications for the textiles industry as related to improving working conditions, respect for labour and human rights and responsible supply chain management, and to discuss the role of the *Guidelines*.

Development success story

The representative of the Bangladesh government shared with the audience the successes of Bangladesh. Bangladesh's economy has grown steadily at around 5% annually over the last couple of decades. Most of this growth is based on the development of the ready-made garment (RMG) industry, which, as of 2011, constitutes a 4.5% share of global clothing exports and has brought 20 billion USD to Bangladesh just this year. Bangladesh's social development, particularly the employment of women, has also largely been facilitated by this industry growth. Over 3,000 export-oriented factories are

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currently active in the country, employing four million people out of which three million are women. One out of every eight Bangladeshi, around 20 million people, is directly or indirectly dependent on the industry. Bangladesh's largest trading partner is the European Union (EU). Bangladesh benefits from EU's "Everything but Arms" trade preference program, which has been designed to ensure that export-led growth contributes to development and poverty alleviation. Trade with EU represents about 10% of Bangladesh's GDP and 5.5% of garment imports by the EU come from Bangladesh.

Hidden dangers of fast growth

Fast growth, if not supported by sustainable working conditions and the evolution of institutions to reflect the realities on the ground, can create structural deficiencies that carry serious consequences. Recent incidents, such as the fire at Tazreen Fashions in November 2012 and the Rana Plaza factory collapse in April 2013, have damaged the Bangladesh brand and have made clear that these structural deficiencies must be urgently addressed in order to sustain the growth momentum of both the overall economy and the RMG industry. From a practical point of view, a number of panellists thought that Bangladesh needs to urgently reform and meet certain conditions (i.e. no serious and systematic violation of human rights or core labour rights) to continue benefiting from trade preferences, especially with the EU. Majority of panellists thought that there is no scope for business-as-usual. Buyers, brands, and stakeholders in the global value chain need to urgently engage with the view to ensure responsible, ethical, and value-driven business in the country. As the OECD Secretary-General stated and NCPs reaffirmed, "abandoning production can deprive a country of an essential pathway out of poverty and is not a solution. The responsible course is to work with stakeholders to guarantee the safety of workers, improve their working conditions and ensure respect for human rights." A number of panellists felt that it is particularly important to ensure that local voices are represented adequately in any existing dialogues and to ensure the representation of women. Women make up about 80% of the RMG workforce, but are not represented in either trade unions or factory management.

Legal reforms

Under increasing international pressure, the government of Bangladesh amended the country's labour law on 15 July 2013 with the plan to ensure enforcement by end 2013. While the changes demonstrate a step in the right direction to improve worker rights and labour conditions, many human rights groups have criticized the law for not fully aligning with international standards. These concerns were also echoed in the Global Forum discussion. For example, although Bangladesh ratified most of the core International Labour Organisation conventions (including Convention No. 87 on freedom of association and Convention No. 98 on the right to organise and bargain collectively), important sections of the Labour Act have been criticized as not meeting those standards. It remains to be seen what the final text of the amended law will look like. Nonetheless, the government has taken concrete efforts to address the situation. For example, the factory inspection regime will be made more robust by hiring hundreds of new inspectors by year end. The EU Trade Commissioner hosted a meeting in Geneva on 8 July 2013 to announce a Compact between the Government of Bangladesh, the EU, and ILO to improve labour rights, working conditions and factory safety in the RMG industry in Bangladesh. The Compact commits the parties to a number of time-bound actions focusing on improvements in day-to-day life for workers, including reforming the Bangladesh Labour Law, improving building and fire safety by June 2014, and recruiting 200 additional inspectors by the end of 2013.

It is important to note that there has been a long history of employer hostility to trade union organisation in Bangladesh. The labour law by itself will not be enough to ensure improvement of working conditions in Bangladesh's factories – implementation and enforcement will be critical. The majority of panellists at the Global Forum felt that ensuring that the freedom of association is safeguarded will require a proactive stance by the government to actively promote it to empower workers to understand and use their rights (i.e. the right to not enter an unsafe building).

Convergence needed in international efforts

The majority consensus at the Global Forum was that the international community, in co-operation with the government, has to also be actively involved in improving the situation on the ground. The Accord on Fire and Building Safety, signed by 65 brands that represent the international interests in over 1 500 out of 4 500 existing factories in Bangladesh, is one such leading initiative. The Accord is a five-year program that commits signatory enterprises to safety inspections, remediation, and fire safety training. In addition, 17 North American brands, under the guidance of independent facilitators at the Bipartisan Policy Centre, have established an Alliance for Bangladesh Worker Safety that recently launched a five-year Bangladesh Worker Safety Initiative. The Initiative puts forth specific actions, such as common safety standards for factories, inspections, worker training and empowerment, oversight and accountability, funding, and collaboration with the Bangladesh government.

These international efforts build on existing ground initiatives in Bangladesh. In the aftermath of the fire at the Tazreen Fashions factory in November 2012, the tripartite constituents of the ILO – government, employers and workers – developed the National Tripartite Plan of Action on Fire Safety for the Ready-Made Garment Sector in Bangladesh which focuses on adopting a preventative approach across the sector. All panellists felt that greater co-ordination and coherence between all international initiatives and their national counterparts must be at the centre of improvement efforts in order for substantial changes to take place in Bangladesh's RMG sector**.**

Reinstating trust and confidence

Above all, the panellists agreed that trust has to be reinstated between workers and employers. A starting point could be promoting fair and ethical supply chain management. Sourcing practices and low prices were seen by a number of panellists as a major underlying cause of the Rana Plaza tragedy. These panellists felt that MNEs that operate in Bangladesh must acknowledge the pressures that sourcing practices place on their suppliers. Ethical pricing must become an integral part of ensuring workplace safety: the lower the price paid, the higher the risk of being linked to an adverse human rights impact. The panellists noted that the *Accord on Fire and Building Safety* has taken a concrete approach that aims to go beyond ethical pricing to actually assuming financial responsibility. The Accord also calls on MNEs to invest a portion of their profits into the factories.

Staying engaged

In conclusion, the panellists highlighted that there must be a co-ordinated effort to stop the race to the bottom at the expense of social welfare and human rights. The trade unions, in particular, called on competition not being based on the exploitation of workers. It was suggested that the OECD, in collaboration with the ILO, could play an important role by creating specific recommendations for supply chains in the textile sector similar to the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. NCPs have also reaffirmed that they will meet their responsibilities under the *Guidelines* in the textile sector by undertaking, where appropriate, stakeholder consultations at the national level and that they will support the implementation of robust and credible initiatives consistent with the *Guidelines*.

OECD Guidelines for Multinational Enterprises and the global RBC agenda

CHAIR	**Roel Nieuwenkamp**, Chair of the Working Party on Responsible Business Conduct
PANELLISTS	**Seokmo An**, Director-General, National Human Rights Commission of Korea and Representative, International Coordinating Committee for National Human Rights Institutions **George Cohen**, Director, US Federal Mediation and Conciliation Service **John Evans**, Secretary General, Trade Union Advisory Committee to the OECD **Alexandra Guaqueta**, Member, UN Working Group for Business and Human Rights **Gunhild Oerstavik**, Senior Advisor, ForUM, OECD Watch **Bernhard Welschke**, Secretary General, Business and Industry Advisory Committee to the OECD **Ursula Wynhoven**, General Counsel, UN Global Compact

This objective of this working session was to discuss the priorities for the *Guidelines* in view of their unique and multi-stakeholder based implementation mechanism and innovative proactive initiatives.

Unique problem-solving approach

The panellists echoed that the Rana Plaza tragedy was not a wake-up call for only the textile sector. Many leaders in responsible conduct also saw their own good systems fail, such as the robust social audit schemes that had indicated there were no problems on the ground. Moving forward, these systematic failures will have to be addressed with concrete and problem-solving action. The unique implementation mechanism of the *Guidelines* can help fulfil this ambition.

The countries that adhere to the *Guidelines* are obliged to set up NCPs that are tasked with furthering the effectiveness of the *Guidelines* by undertaking promotional activities, handling inquiries, and providing a mediation and conciliation platform for resolving issues that arise from the alleged non-observance of the *Guidelines*. This effectively makes the *Guidelines* the only international corporate responsibility instrument with a built-in grievance mechanism. The effective implementation of the *Guidelines* is also supported by the proactive agenda. The proactive agenda aims to promote the effective observance of the *Guidelines* by helping enterprises identify and respond to risks of adverse impacts associated with particular products, regions, sectors, or industries.

It is important to note that multi-stakeholder initiatives are the core of OECD approach. This includes the *Guidelines*, which were most recently updated in 2011 through a one-year multi-stakeholder update process that included intensive consultations with a wide range of stakeholders and partners. The *Guidelines* are also endorsed by the representatives of business, worker organisations and non-governmental organisations through the BIAC, TUAC, and OECD Watch. NCPs themselves also rely on multi-stakeholder processes and are committed to developing and maintaining relationships with all parties that are able to contribute to the effective implementation of the *Guidelines*. Furthermore, central to proactive agenda's potential to effect change on a broad scale is its employment of the multi-stakeholder process which gives relevant stakeholders the opportunity to participate side-by-side with enterprises in developing strategies to avoid risks of adverse impacts.

Ecosystem of remedy mechanism

A number of panellists highlighted that NCPs fit into an existing ecosystem of non-judicial grievance mechanisms. Delivering effective remedy is a complex issue that might require different agencies to play complementary roles (including operational-level systems, national human rights institutions, international finance institution and others). There was an agreement that the NCP system, in addition to providing access to remedy, can also serve as a conduit for governments to better understand if any adverse impacts might not be adequately dealt with. Due to its unique placement within the existing ecosystem, NCPs can help a feedback loop between governments, businesses, trade unions and civil society. The panellist representing the UN noted that this is why the NCP system is particularly relevant for all three pillars of the UN "Protect, Respect, and Remedy" Framework. Furthermore, panellists noted that NCPs are uniquely placed to drive collaboration and strengthen co-operation among not only the actors mentioned above, but also with other relevant institutions, for example, business associations, local UN Global Compact Networks and National Human Rights Institutions.

Improving NCP performance

There was an agreement on the panel that a key priority for future action should be to reinforce the unique role of the *Guidelines* in the global responsibility space. This includes improving NCP performance across a range of aspects. Panellist representing business also noted that proactive agenda projects are invaluable from the business perspective. Regarding NCP performance, it was noted that NCPs increasingly face complex situations which encompass both traditional issues in RBC, such as issues in the supply chain, and newer issues, such as in the ICT sector. Enhancing functional equivalence among NCPs is one area where efforts would yield immediate results on the ground. A number of panellists highlighted that improvements in structure, in relationships with stakeholders, in clarifying specific instance procedures and follow-up mechanisms, and in strengthening links and co-operation among NCPs themselves would all serve to enhance the problem-solving focus of NCPs. Information dissemination, promotion of policy coherence among different government bodies on RBC, and outreach with a view to promote a global level-playing field, were also seen as priority areas of work. The panel agreed that it was crucial, however, to not spread the resources too thin. Focus on quality over quantity of non-duplicative initiatives would add the most value.

Added value of mediation

Since 2010, more attention is being given to the use informal problem-solving methods in NCP specific instance procedures. The panel noted that a compelling case can be made for the added value of mediation in NCP procedures due it its nature and flexibility. Informal problem-solving processes such a mediation allow the parties to exert a better level control over the process of reaching an agreement than the more formal ones, such as arbitration or legal measures in which a third party final decision is binding. This fact can be a useful tool for NCPs in bringing the disagreeing parties to the table. Furthermore, mediation can often address a wider range of issues than formal processes, which is quite helpful since it allows for flexibility to tackle issues that might be easier to agree on in order to start building an environment of trust and partnership between the parties. Some panellists highlighted that confidentiality is also an important aspect in this formula. By ensuring confidentiality, the mediator can explore possibilities without asking either party to change its official public position. Business representative called on NCPs to take extra measures to be impartial and honest brokers in these procedures. In addition to focusing on all-important constructive problem solving, based upon mutual trust and respect between the parties, mediation offers a significantly more expeditious and cost saving alternative to prolonged litigation. For all the above mentioned reasons, the United States Department of State and the Federal Mediation and Conciliation Service (FMCS) recently entered into a landmark agreement in which FMCS provides experienced, professional mediators in support of the US NCP's efforts to resolve issues related to the *Guidelines*. Business representative called on NCPs to take extra measures to be impartial and honest brokers in these procedures.

Responsible business conduct and the financial sector

Session organised with Netherlands National Contact Point and ORSE Finance Club of France

	Current practices of the financial sector
CO-CHAIRS KEYNOTE PRESENTATIONS	**Simon Smits**, Vice-Minister for Foreign Economic Relations, Ministry of Foreign Affairs, Netherlands **Carlos Márcio Bicalho Cozendey**, Secretary for International Affairs, Ministry of Finance, Brazil
MODERATOR	**Herman Mulder**, National Contact Point, Netherlands
PANELLISTS	**Carey Bohjanen**, Managing Director, Sustainable Finance Advisory **Denis Childs**, Head, Emerging Markets, Environment and Sustainable Development Department, Societé Générale CIB **Gavin Duke**, Investment Manager, Aloe Private Equity **Roel Nieuwenkamp**, Chair of the Working Party on Responsible Business Conduct
	Responsibility and leverage of financial institutions
CHAIR	**Daniel Lebègue**, Chair of ORSE and former Chief Executive Officer of Caisse des Dépôts
PANELLISTS	**André Abadie**, Managing Director and Head of Global Environmental & Social Risk Management, J.P. Morgan **Olaf Brugman**, Head, Sustainability Policy and Reporting, Rabobank **Jérôme Courcier**, CSR Officer, Credit Agricole SA **Cyrille de Montgolfier**, Senior Vice-President, European and Public Affairs, AXA Group **Mercedes Sotoca**, Head, Environmental Social Risk, ING **Giuseppe van der Helm**, Executive Director, VBDO, and President of the Board of Directors, European Sustainable Investment Forum **Maarten van Renssen**, Senior Environmental and Social Specialist, FMO
DISCUSSANTS	**Christine Kaufmann**, Thun Group of Bank and Vice Dean, Faculty of Law, Centre of Competence for Human Rights, University of Zurich **Simon Clow**, Sustainability Officer, Aegon
	Roles and procedures of National Contact Points
KEYNOTE PRESENTATION	**David Plumb**, Senior Associate, Consensus Building Institute
MODERATOR	**Herman Mulder**, National Contact Point, Netherlands
PANELLISTS	**Lene Wendland**, Adviser on Business and Human Rights, Office of the UN High Commissioner for Human Rights **Hans Petter Graver,** Chair, National Contact Point, Norway and Dean and Professor of Law, University of Oslo **Danish Chopra**, National Contact Point, United Kingdom **Anna Pot**, Senior Sustainability Specialist, APG Asset Management **Joris Oldenziel**, Program Manager, SOMO and Co-ordinator, OECD Watch **Pierre Habbard**, Senior Policy Advisor, Trade Union Advisory Committee to the OECD (TUAC)

The objective of this day-long working session was to examine responsibility in the financial sector. The discussion started with the overview of the current practices of the financial sector during which the results of the mapping exercise on environmental and social due diligence practices of the financial sector were presented. An in-depth discussion on the responsibility and leverage options of financial institutions in their influence on client activities followed. Existing international financial corporate responsibility instruments were examined to provide context. The afternoon session focused on roles and procedures of the NCPs under the *OECD Guidelines*, with discussion centred on reference specific instances in the financial sector and the added value of mediation.

Leading by example: Integrating RBC into day-to-day operations

There was wide agreement among all panellists that the business environment for financial institutions (FIs) and their clients has changed greatly since the 2008 global crisis. Public opinion about FIs is at an all-time low and the expectations about how business and FIs should contribute to economic growth and prosperity have grown. Restoring public trust in the sector is vital for the recovery of the real economy. RBC, in addition to being a driver of a successful and inclusive market economy, is key to restoring this trust and improving governance in the sector.

In order to drive meaningful change, majority of panellists noted that FIs must have an integrated approach to RBC in order to reduce the existing gaps between RBC policy and everyday operations. RBC is not just a tool for risk-management; it can also drive value and increase the bottom line. FIs should work toward ensuring environmental and social (E&S) principles are reflected in decision-making, not only on the investment side but also on the procurement and employment side. In order for this cultural shift to take place, several panellists emphasized that there needs to be a commitment to RBC by the highest-level leadership of FIs. In addition, it is essential to educate and inspire staff about the importance of RBC. Most importantly, FIs need to lead by example – one cannot expect their clients to make changes without making those changes themselves.

Integrated reporting was highlighted by panellists as one tool that can help facilitate these efforts on two fronts: 1) integration of E&S factors into reporting inevitably leads to E&S becoming integrated into decision-making and 2) integrated reporting is one way to influence clients as it could facilitate a meaningful dialogue about the bigger picture behind the investment. It was noted that this meaningful dialogue needs to continue after the signing of the contract – FIs need to guide their clients on an ongoing basis.

Collaborative efforts are needed

There was a shared view that the financial sector is in principle a very important driver for sustainable development – taking RBC to the next level gives the financial sector the opportunity to play the role it should in promoting sustainable business. A number of panellists believed that the ultimate goal of FIs should be to make the capital and financial services easily accessible to enterprises that "do good" and not so easily accessible for those that do not or are not willing to improve. Such practices could safeguard the investments. Over the years, a number of initiatives have materialised at the sector level as there are increasing efforts at the individual FI level to address RBC practices. For example, the Thun Group of Banks, an informal group of bank representatives, aims to gain a better understanding about the ways in which the UN "Protect, Respect and Remedy" Framework and the Guiding Principles can be best applied to the activities of banks. The Group is planning to share best practices by the end of 2013 by publishing a discussion paper that describes how some banks are addressing the issue.

A majority of panellists thought that there is also wide scope for the financial sector to engage in collaborative efforts with other relevant actors on RBC. Steps should be taken to break down any mistrust that might exist between FIs, trade unions and the civil society and to focus on building partnerships.

Current practices of the financial sector

In order the get a better understanding of RBC efforts currently in place, Sustainable Finance Advisory (SFA), on behalf of Netherlands and with oversight by a multi-stakeholder advisory group of the research and evaluation process, surveyed over 50 FIs globally to better understand how FIs consider environmental and social issues in their products and services; the due diligence processes and procedures that are undertaken to identify and assess risk; and how FIs consider the guidance set out in the *Guidelines*. 30 institutions were interviewed as follow up. The findings were published in the paper Environmental and Social Risk Due Diligence in the Financial Sector: Current Approaches and Practices. The following key findings of the report give a comprehensive picture of current practices:

- Different FI business models and mix of financial products and services drive different E&S due diligence approaches.
- Some FIs systematically prioritize E&S due diligence for transactions and investments according to level of potential E&S risk.
- Awareness of the UN framework is variable and a number of implementation challenges are cited.
- FI views on leverage on client behavior on E&S issues varies, even within same product or service group.
- Most FIs do not apply the *Guidelines*, citing them as too generic and a lack of clarity on terminology.

Several panelists acknowledged that the last point is particularly salient as the *Guidelines* do apply to the financial sector just as they do to all sectors of the economy. Neither the *Guidelines* nor the UN Guiding Principles make exceptions for certain types of financial institutions. However, due to the unique role of FIs in the global economy, several panellists indicated that confusion can arise about the extent of the industry responsibilities. This gap needs to be filled because, as acknowledge by several panellists, the *Guidelines* can be a powerful tool for risk management and for promoting accountability. It was also noted that, although the alignment between international frameworks is a very important development in the efforts to embed common standards on business and human rights to relevant global governance frameworks, the financial sector is among industries that still have to come to grips with the implications of this convergence on their business practices. A number of panellists highlighted that implementation remains an important challenge.

The SFA findings indicate that some of the concerns expressed by FIs appear to, in part, reflect a misunderstanding of some of the main concepts from the *Guidelines* and their implications (i.e. linkage and leverage). Thus, several panellists indicated that it will be very important to effectively communicate the expectations and definitions of these main concepts. In addition, practitioners raised concerns that existing instruments for RBC, including the *Guidelines*, are very high level and that clear and tangible steps would help the financial sector better apply the *Guidelines*.

Understanding due diligence and leverage

Several panellists emphasized that due diligence is not something new for FIs – it has been an integral part of risk-management in the sector for many years. However, the expectation to integrate human rights factors into existing due diligence frameworks is a newer challenge. There is a strong need for FIs to have proper due diligence processes in place because risk-management is based on the ability to make informed decisions – this implies knowing the social and environmental risks in addition to economic and financial risks. Due diligence process under the *Guidelines* and UN Guiding Principles can help FIs quantify risk and apply cost-benefit analysis to understand how improving working conditions, for example, can impact the bottom line. In addition, it is important that due diligence processes remain an on-going exercise by monitoring and evaluation and, if needed, corrective action. This does not necessarily imply pre-investment assessment in all FI transactions.

A wide number of panellists also indicated the need for more clarification on the responsibilities of FIs that derive from business relationships. The spirit and letter of the *Guidelines* and UN Guiding Principles point to the importance of being aware of the company you keep and who you engage with, and clearly indicate that FIs have responsibilities for adverse impacts that are directly linked to their business operations, products or services by a business relationship even if they do not contribute to those impacts. As a result, investors should carry out due diligence to seek to prevent and mitigate that adverse impact, while also recognising that a distinct and different responsibility exists by the client enterprise that may actually be causing that adverse impact.

Investors, therefore, are expected to exercise leverage to bring change in the behaviour of the client enterprise that might be causing the adverse impact. Panellists also acknowledged that the type and extent of leverage a FI has are very complex issues given the number of factors involved. A number of panellists felt that getting a client to be transparent about health, safety, and environmental issues from one transaction to the next can be very challenging. Among the factors that will need to be considered in determining the appropriate action are the extent of leverage, how crucial the relationship is, the severity of the impact, and whether terminating the relationship would in itself have adverse impacts. There is also need to prioritise according to severity and frequency of risk. The amount of shares investors hold is only one factor in determining leverage. For instance, an institutional investor representative with minority shareholdings explained how they set priorities to promote responsible business conduct in companies they invest in based on gravity of issues, nature of the specific concern and an assessment of leverage. There was a general agreement that conversation going forward will need to address specific questions surrounding leverage (i.e. when you do have it, how to increase it, what are the circumstances, what is the type of relationship with the client, and who are other FIs involved, etc.).

Essential role of NCPs

The discussion concluded by highlighting the essential role NCPs can play in the financial sector. It was underscored that collaboration with NCPs is very important. Since the *Guidelines* give general guidance, collaboration with NCPs is an opportunity for FIs to help contribute to clarifying responsible finance in practice and, thus, to help solve issues related to implementation of the *Guidelines*. However, there was a general acknowledgement that one of the main challenges NCPs face is that they are not well known in the financial sector. As a result, FIs have less experience engaging with NCPs as problem solvers. This unfamiliarity about the role of the NCPs, combined with the differing views about the actual responsibilities of the financial sector, creates an unfortunate scepticism about the applicability of the *Guidelines*. A majority of panellists felt that an effective implementation of the *Guidelines* will require close collaboration by all stakeholders to further clarify what different concepts in the *Guidelines* really mean for everyday business in the financial sector.

Stakeholder engagement and due diligence in the extractive sector

Session organised with Shift

CO-CHAIRS	**Francine Noftle,** Interim National Contact Point and Acting Director General, Canada **Are-Jostein Norheim,** CSR Ambassador, Ministry of Foreign Affairs, Norway
KEYNOTE PRESENTATION	**Juan Guillermo Castro,** Vice-President of Promotion, National Mining Agency, Colombia
MODERATOR	**Caroline Rees,** President and CEO, Shift
PANELLISTS	**Lloyd Lipsett,** Project Associate, Shift **Mattias Ahren**, President, Saami Council **Daniel Cossio**, Member, National Executive Committee, National Mining Union, Mexico **Tricia Feeney,** Executive Director, Rights and Accountability in Development, UK **Serena Lillywhite**, Mining Advocacy Coordinator, Oxfam Australia **Jose Link**, General Manager, Global Link Solutions **Sandeep Pattnaik**, Programme Officer, National Centre for Advocacy Studies, India **Jon Samuel**, Head of Social Performance and Acting Head of Government Relations, AngloAmerican *Lead Respondent*: **Hubert des Longchamps**, Senior Vice-President, Public Affairs, Total

The objective of this working session was to hold a multi-stakeholder dialogue related to a new provision in the *Guidelines*, which recommends that businesses engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in a comprehensive way in relation to planning and decision-making for projects or other activities that may significantly impact local communities. The working session was organised in two panels to address the question of persistent challenges and gaps in the practice of stakeholder engagement and to address the question of whether and how further *Due Diligence Guidance* could add value and could support improved implementation of this provision within the extractive industry.

A discussion paper prepared by Shift was presented to stimulate conversation. The discussion paper's overarching findings were that:

a) there is a great deal of existing guidance on stakeholder engagement and the critical gaps are in implementation on the ground;

b) in more recent policies and guidance, there is increasing focus on the convergence between stakeholder engagement, due diligence, and risk and impact assessment processes;

c) recent guidance also emphasizes the need to strengthen *i)* the life-cycle approach to stakeholder engagement and *ii)* a rights-based approach to stakeholder engagement.

Regarding the rights-based approaches to stakeholder engagement, the discussion paper further noted that there are inherent linkages between: stakeholder engagement and substantive human rights; stakeholder engagement and effective human rights due diligence; and stakeholder engagement and broader social/environmental due diligence.

Conflicts related to extractive industry projects are increasingly framed in human rights terms and stakeholder engagement is typically raised as a fundamental concern in cases where problems have escalated. Furthermore, there is increasing international and national recognition of indigenous peoples rights, including free, prior and informed consent (FPIC), which provides challenges and opportunities for improving stakeholder engagement performance.

The discussion paper recognised that there are important challenges and gaps with regard to government regulation, enforcement and practices regarding stakeholder engagement. However, given that the *Guidelines* address business, it focused on persistent challenges for, and gaps in, company practice. The particular issues highlighted for discussion, and which could be addressed in any future guidance on the matter, were:

- Adapting stakeholder engagement to the operational context.
- Identifying the right stakeholders.
- Choosing the right engagement activities.
- Engaging early stages of exploration and project development.
- Developing a strategic approach across the project lifecycle.
- Building capacity and support for effective stakeholder engagement.

Below are the highlights of the discussion based on the discussion paper from the two panels.

Getting it right from the start

There was a general agreement that the lack of effective stakeholder engagement at the earliest phases of a project is an important gap in the engagement process. Engaging during the exploration stage could help build trust and provide a basis for dialogue throughout the entire project cycle. If proper time is not invested to engage with the affected communities from the start it is likely that negative repercussions at later stages of the project would be incurred as a result of poor relationships. However, business representatives pointed out that one main challenge is to reconcile the time needed for effective stakeholder engagement with the pressures to move forward under strict deadlines and limited resources.

A number of panellists and audience members highlighted that an additional barrier arises when smaller exploration companies or individuals (i.e. geologists) are the first to be in contact with affected communities. Most of the time they do not have the resources or knowledge readily available to conduct valuable stakeholder engagement. Furthermore, at such early stages of a project, there are a lot of uncertainties about the future of the project. Business representatives agreed that this was indeed a major challenge. Nevertheless, there was general agreement that the framework for engaging as early as possible remains a key step for an effective engagement strategy. The panel agreed that any further guidance should take into account the different needs and sophistication of the range of companies that operate in the extractive sector.

Identifying the right stakeholders

The panellists also recognised that there are significant challenges in understanding and identifying the breadth of stakeholders that need to be engaged and who their legitimate representatives are. This includes understanding the divisions within and between communities. The majority of panellists agreed that the question of stakeholders should be viewed in a dynamic manner: new stakeholders may be affected by a project at different stages or in the event of expansion; leaders and power dynamics may change; and there may be differing views and interests between the different generations affected in the course of long-term extractive projects.

It was noted that a project can also be the source of division within communities as community members do not have a single voice or a single opinion. Divisions may also occur between affected communities and, on one hand, workers from that community and, on the other hand, workers brought from other locations. Disempowerment issues are very likely to occur as a result of the gaps between the interests of workers and those of the affected communities. A number of panellists, in addition to a number of audience members, thought that a correct mapping of the stakeholders that takes into account the divergent interests of the affected communities and their members is therefore an essential step in the process of stakeholder engagement.

Understanding the multi-faceted relationship between communities and workers was also viewed by the panel and the audience as important. It was noted that in some cases businesses divide and pressure communities by maintaining that if communities don’t support continued operations, the jobs for workers from those communities will be lost. Trade union representatives highlighted that where workers come from local communities, trade unions can be important channels for expressing community views. In other situations, workers may be brought in from outside the local communities, creating local resentment. Equally, workers from outside could find they are less able to raise concerns with the business because they lack the leverage that comes from the connection to communities.

How you engage matters

Panellists pointed out that there is also danger to potentially mismatch the modes of engagement used by enterprises and the expectations of communities. For example, publishing project information in a newspaper is inadequate when a community expects a discussion of environmental and social impacts in a public hearing. Panellists and the audience noted that, in some countries, there may be intimidation by security forces or criminalization of protests that create serious obstacles to two-way communication, as well as additional concerns from a human rights perspective.

Rule of law and the role of government

This is why rule of law and the role of government are very important for effective stakeholder engagement according to the panel, as well as the audience. A good legislative framework can create a level-playing field and drive good stakeholder engagement practices at the project level. However, panellists noted that where the law is inadequate, it can create obstacles for enterprises. Whether through laws or other pressure, governments can sometimes prevent or discourage enterprises from consulting with communities.

Furthermore, the importance of free, prior and informed consent at the policy level was highlighted by the civil society and indigenous peoples representatives as a framing reference for good stakeholder engagement. FPIC is a recognised right of indigenous peoples with regard to their traditional lands. The constituent elements of "free", "prior" and "informed" should also be understood as key principles for engagement with all stakeholders. Consent or agreement about extractive industry projects should be a shared objective for enterprises, communities and governments. A number of panellists, with agreement from several audience members, noted that, given the long time frames for extractives projects, consent should not be viewed as a one-time event; rather it may need to be revisited at different moments. This strengthens the imperative for effective and ongoing stakeholder engagement across the project lifecycle. There is a real need to find ways to address the various imbalances – political, economic and informational – in relationships between businesses and communities so that engagement can be based on real partnerships. There is a role for legal frameworks in redressing power imbalances, as well as the need for capacity building for communities and their representatives.

Making sense of stakeholder engagement on a project-level

There was a general agreement that self-interest of businesses should naturally align with the interests of communities in favour of more meaningful engagement processes. The business case for better stakeholder engagement is reinforced when framed in terms of preventing the delays, costs and conflicts that often result from poor practices. Thus, framing best practices should be done with a practical focus, rather than a policy focus. Anything on paper needs to be translated into management systems and used by employees in their daily work. This suggests that abstract policy discussions are not particularly useful at the project level. Instead, there was a general agreement that any further guidance should focus on the question of “how” rather than “why”. This type of focus would also have implications for the length of the guidance and the style of language used. Given the fact that there is extensive guidance on stakeholder engagement at the policy level and that the greatest challenges are in translating this policy guidance into practice in highly varied circumstances, the main proposition for any new guidance is that it should be geared towards practitioners at the operational level. Panellists supported the view that further guidance might involve a series of modules to address different aspects of the key practical challenges identified. Each module could reference existing resources and offer new tools (check-lists, templates, case studies, etc.). Furthermore, a module format could be presented along a typical project lifecycle and could point to convergence between stakeholder engagement and other aspects of on-going due diligence and risk/impact assessment processes at different points in time.

Moving forward

By the end of the working session, there was broad agreement that in moving forward, in the context of the *Guidelines*, there is a need to focus on key challenges in implementation such as the purpose and importance of stakeholder engagement, adapting stakeholder engagement to the operational context, engaging with the right stakeholders, using the right mode of engagement for the different stakeholders, supporting a more strategic approach to stakeholder engagement across the project lifecycle and enhancing capacity and support for effective stakeholder engagement. Many panellists took the view that guidance should be practical, task-oriented and written for practitioners. However, one panellist noted that guidance on stakeholder engagement exists and that brand new guidance may not necessarily be the way forward. The panellist stressed that the issue is more about implementing existing guidance and guidelines and helping actors on the ground resolve concrete issues. Clarifying and reinforcing the provisions of the *Guidelines* in relation to stakeholder engagement, with a broader framing that could include aspects of engagement with workers and their trade union representatives as well as indigenous peoples could also be desirable. Furthermore, guidance for NCPs could be developed to support their role in addressing specific instances that raise issues of stakeholder engagement.

Special event: Disclosure and reporting

Session organised with Institut Responsabilité Sociétale de l'Entreprise Management

CHAIR	**Yvonne Zwick**, Project Manager, German Council for Sustainable Development
MODERATORS	**Patrick d'Humières**, President, L'Institut Responsabilite Societale de l'Entreprise Management **Claude Fussler**, Independent Facilitator
PANELLISTS	**Pietro Bertazzi**, Senior Manager, Policy and Government Affairs, Global Reporting Initiative **Carlos Márcio Bicalho Cozendey,** Secretary for International Affairs, Ministry of Finance, Brazil **Christine Diamente**, Head, Sustainability, Corporate Messaging & Brand, Alcatel-Lucent **Michel Doucin**, CSR Ambassador, Ministry of Foreign Affairs, France and Chair, Group of Friends of Paragraph 47, Rio + 20 Declaration **Rodney Irwin**, Managing Director, Financial Capital, World Business Council for Sustainable Development **Dominique Ledouble**, Chairman of Féderation Française des Experts en Evaluation and Chair, Working Group on Integrated Reporting, ORSE **Philippe Peuch Lestrade**, Deputy to the Chief Executive Officer, International Integrated Reporting Council and Partner, Ernst and Young **Amol Mehra**, Director, International Corporate Accountability Roundtable **Ursula Wynhoven**, General Counsel, UN Global Compact

The objective of this special event was to discuss the recent trends and developments in the disclosure and reporting field with a view to contributing to the effective observance of the *Guidelines*. The discussion was centered on the disclosure requirements of the *Guidelines* and current practices in the field.

Disclosure and reporting are integral to transparency

Disclosure and reporting help address the need for transparency in business conduct. One panellist mentioned that although only a few thousand enterprises from around the world currently report on their activities, more and more are finding it increasingly important to disclose information about the initiatives taken to integrate social and environmental aspects into business operations. There was a general agreement that doing so helps them to respond to pressure from stakeholders, to highlight best practices, and to demonstrate concrete improvements in their operations. In today's interconnected world, it is increasingly becoming harder to view disclosure and reporting as an option. As noted by a few panellists, the question then becomes how, not whether, enterprises can disclose information and report on their activities in a practical and accessible manner.

Global standards and reporting frameworks

There are a number of global standards that address disclosure and reporting, including the *Guidelines*. The *Guidelines* require that timely, accurate and material information be disclosed by enterprises. Material information is defined as information whose omission or misstatement could influence economic decisions taken by the users of that information. Material matters include enterprises' activities, structure, financial situation, performance, ownership and governance. Enterprises are also encouraged to disclose information regarding their social and environmental performance, including how they manage risk in those contexts. Furthermore, businesses that sign up to the UN Global Compact commit to issue an annual Communication on Progress, a public disclosure on progress made in implementing the ten principles of the UN Global Compact and in supporting broader UN development goals. The ISO guidance on social responsibility also emphasizes the value of public reporting on social responsibility performance to internal and external stakeholders, such as employees, local communities, investors and regulators. In addition, the United Nations supported Principles for Responsible Investment (PRI), an international network of investors committed to putting the six Principles for Responsible Investment into practice, makes reporting one of the mandatory requirements for all asset owners and investment managers who have signed on to PRI.

Disclosure and reporting frameworks offer an opportunity for companies to demonstrate compliance with global standards. There are a number of reporting frameworks which cover specific issues such as financial, environmental, and labour, and also include all business activities. The most widely used framework around the world is the GRI Sustainability Reporting Framework which includes specific reporting guidelines. It is a comprehensive tool to measure and report on economic, environmental, social and governance performance. The *Guidelines* recognise that such frameworks enhance enterprises' ability to communicate how their activities influence sustainable development outcomes and the GRI maintains strategic partnerships with the OECD, UN Global Compact, ISO and other international organizations in order to foster co-ordination of initiatives. An updated version of the Reporting Guidelines, G4, was launched in May 2013 emphasizing the concept of materiality and providing references to the *Guidelines*. G4 includes a complete list of the sections that are linked to the *Guidelines*, which could be used in a practical way to report on how companies implement the *Guidelines*.

As mentioned by a few panellists and audience members, an increasing number of enterprises are also developing firm-level codes of conduct to outline their commitments to ethical business conduct. Specialised management systems at the firm-level could be developed to help fulfill these commitments. Furthermore, there has been a push for encouraging more use of integrated reporting to report on all factors material to an enterprise, including social and environmental impacts. The International Integrated Reporting Council (IIRC), a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs, has committed to the view that communication about businesses' value creation should be the next step in the evolution of corporate reporting.

Challenges and uncertainties

Despite the evolution of the field, many challenges and uncertainties still remain. There was a general agreement that one of the main obstacles continues to be the lack of understanding about how to best apply reporting standards and practices as a result of the confusion about various international and domestic initiatives that currently exist. In addition, some panellists mentioned that countries have different requirements and laws on mandatory reporting, which adds an added layer of complexity from a practical point of view. Distinguishing between legal obligations at a domestic level and voluntary disclosure guidelines at an international level can be a significant challenge.

Furthermore, the format of reports on sustainable performance is often inadequate according to a number of panellists and audience members. Reports are often too long and inaccessible to key stakeholders. Enterprises should aim to make reports simple and practical in plain language and format that appeals to consumers, focusing on internal progress and a clear goal to improving performance. Enterprises are also encouraged to communicate values they subscribe to, including their own value statements as well as any additional codes of conduct.

There was a wide agreement that enterprises should also emphasize sharing reports internally in order to better integrate disclosure and reporting within current management practices. Reporting is often seen as an external or a "check-box" exercise rather than a way to foster an integrated approach to decision-making. Focused reporting practices can help enterprises improve management processes and, therefore, overall performance. Reporting must be integrated into the strategy of a company in order to be truly impactful.

In addition, as a large number of panellists noted, reporting on non-financial information can be especially challenging since, unlike financial indicators, social and environmental information is not readily quantifiable. It is also more difficult to analyze and understand. Many enterprises lack sufficient resources, and thus, may not be able to measure non-financial indicators in a meaningful way.

Way forward

Some panellists and audience members agreed that governments could play a bigger role in promulgating disclosure and transparency principles among enterprises. Although, as mentioned above, there are challenges associated with mandatory reporting requirements, it is still seen by a number of panellists as a useful way for creating a level-playing field and providing more certainty in terms of reporting requirements and enforcement. Many countries already require mandatory reporting. A comprehensive list of mandatory reporting requirement can be found in the GRI, UNEP et al. 2013 Carrots and Sticks publication. For example, France, through the *Loi Grenelle*, requires enterprises with more than 500 employees to publish information on their social, environmental, and governance performance. Similarly, Denmark, through the (Act amending the) Danish Financial Statements Act, requires the country's largest companies to include RBC activities in their annual reports or justify the absence of such information. The United States also requires through Dodd-Frank legislation that businesses disclose their use of certain minerals from conflict-affected areas. Businesses in the extractive sector are also required to disclose payments to governments for commercial developments of minerals and oil and gas. The United States has also recently instituted reporting requirements on investments in Myanmar that obligate businesses to publicly report on a range of policies when investing in Myanmar, notably on human rights, land rights, environmental stewardship, anti-corruption, payments to governments, arrangements with security providers and others. As noted by one panellist, the European Commission has also recently adopted a proposal for a Directive to enhance transparency of large businesses. As part of the proposal, companies with over 500 employees would be required to disclose relevant and material environmental and social information in their annual reports. The objective of the Directive is to increase EU companies' transparency and performance on environmental and social matters, and, therefore, to contribute effectively to long-term economic growth and employment.

The *Guidelines* can also provide additional guidance to enterprises, specifically when it comes to issues such as due diligence, taxation and corruption, which may not be fully covered by existing reporting frameworks. There was a general agreement that the voluntary nature of the *Guidelines* is key to facilitating dialogue between governments, businesses and other stakeholders. The *Guidelines* provide the necessary flexibility for enterprises to take a strategic and integrated approach to disclosing and reporting on their financial, social and environmental performance, as well as contribution to sustainable development goals, taking into consideration resource constraints, business confidentiality issues, and other concerns.

NCPs could also play a role through examining disclosure and reporting issues in the specific instance mechanism, as well as through raising awareness of the *Guidelines* disclosure requirements though capacity building sessions. As suggested by some panellists, the OECD could support this work by developing a guidance document on the current disclosure and reporting requirements and recommendations and also by creating a materiality matrix. The OECD could also administer a survey to measure progress on how companies are adopting disclosure and reporting practices. The focus of any of these efforts should be to clarify definitions of existing key concepts, rather than on developing new standards or normative frameworks. Existing approaches should be evaluated under different criteria, such as simplicity, accessibility and practicality, in order to create greater harmonization and adoption of best practices in disclosure and reporting.

Special event: Responsible business conduct in the ICT sector

Session organised with Institute for Business and Human Rights and Norway National Contact Point

	Co-operative efforts to promote Internet freedom
CHAIR	**John Morrison**, Executive Director, Institute for Human Rights and Business
PANELLISTS	**John Kampfner**, European Advisor, Global Network Initiative **Marie Baumgarts**, Head of Corporate Responsibility, Tele2 and Member, Global e-Sustainability Initiative and Climate Change **Christine Diamente**, Head, Sustainability, Corporate Messaging & Brand, Alcatel-Lucent and Member, Industry Dialogue
	National Contact Points and the ICT sector – why it matters
CHAIR	**Margaret Wachenfeld**, Director of Legal Affairs, Institute for Human Rights and Business
PANELLISTS	**Roel Nieuwenkamp**, Chair of the Working Party on Responsible Business Conduct **Laura Ceresna**, Workers' Rights and Corporate Accountability, Cividep India **Eric King**, Head of Research, Privacy International

The objective of this special event was to deepen the understanding between governments, enterprises, trade unions and civil society of the relevance of the *Guidelines* in relation to the ICT sector, with particular reference to human rights and Internet freedom. The Internet has a dual existence within the context of the *Guidelines*. On one hand, ICT is a significant business sector that has both offline (e.g. supply chains, manufacturing equipment, rare earth minerals) and online (e.g. the impact on freedom of expression and privacy) responsibilities for impacts. On the other hand, the *Guidelines* encourage enterprises to "support, as appropriate to their circumstances, co-operative efforts in the appropriate fora to promote Internet Freedom through respect of freedom of expression, assembly and association online."

Fast-paced sector brings new challenges

The panels noted that the ICT sector is one of the fastest growing sectors and that the Internet and digital communications have become a valuable tool for the enjoyment of many human rights. There is little doubt that, driven mainly by the private sector, the development of digital communications and the Internet has had a largely beneficial effect both in economic and social terms. The panellists highlighted that due to the fast-paced nature of technology, ICT companies are facing increasing challenges in fulfilling the corporate responsibility to respect human rights. For example, many governments, formally and informally request that ICT companies impose surveillance on individuals or groups, or to permit governments to intercept their communication; to block specific websites; to seek access to data to gather intelligence; and on occasion, to suspend access to the Internet and mobile phone networks, citing reasons of national security or public order, with or without judicial oversight.

Proliferation of industry initiatives

The discussion from the first panel pointed to the fact that ICT companies are increasingly becoming involved in multi-stakeholder and industry initiatives in order to act together to create a level playing field in terms of respecting human rights for freedom of expression, association and assembly online. The panellists noted that there is no silver bullet for addressing the challenges enterprises face in doing so; therefore, multi-stakeholder initiatives can play an important role in encouraging companies to work together. Given the number of industry initiatives, there was agreement that it is becoming increasingly important to ensure that efforts are not duplicated across the sector. Collaboration is key to ensure the initiatives complement each other and it is encouraging to see some movement in this direction already. For example, the Industry Dialogue is now housed under the auspices of the Global Network Initiative and is working with GeSI. It should be noted that enterprises must still exercise due diligence on the firm-level and know their specific risks and leverage.

Importance of transparency

Recent revelations and allegations of government mass surveillance have consumed the debate around privacy and freedom of expression in the ICT sector. These revelations implicate enterprises in the infringements of human rights, since Internet and telecommunications companies and undersea cable operators own the infrastructure and store the data that governments seek to access. It was noted that some ICT companies do publish transparency reports that give information on the number of times governments worldwide have requested user information or content to be taken down. They also publish the percentage of requests an enterprise has complied with in these reports. However, under some legal frameworks, enterprises are required to keep these requests secret and are often unable to even acknowledge their existence. Costs and logistical hurdles to conduct mass surveillance continue to decline rapidly and the mass surveillance orders are expected to increase worldwide.

The panellists highlighted that this places enterprises in a difficult position where governments that are supposed to protect human rights are asking the companies to infringe on those human rights.

However, although the dilemma is particularly difficult, a number of panellists agreed that it should not be an excuse for inaction. It was pointed out that one concrete step that enterprises could take is to be transparent to the fullest extent possible about what they are being asked to do by governments. Even if enterprises can only go so far in disclosing information about specific orders, it is possible to be transparent about laws and how they impact enterprise operations, including possible lack of knowledge about government activities on the network and/or loss of operational control. There have been examples in the past where the government had direct access to the network infrastructure, which limited the leverage the enterprise had in pushing back on transparency. At the same time, a number of panellists noted that any enterprise that provides full access to their network, which would allow for indiscriminate mass surveillance, cannot claim to be unable to pinpoint changes in the flow of information through the network engineers.

Addressing these extremely complex issues is not easy. There was a general agreement that ICT sector should leverage the opportunity provided by the recent revelations from leaked documents to push governments to be allowed to be transparent to the fullest extent possible and to reiterate that enterprises are expected to respect human rights, even when that means going beyond just abiding by the law.

New challenges for NCPs

The first specific instance related to the ICT sector was submitted in 2013 alleging human rights abuses by an enterprise that sold surveillance technology to a foreign government. The specific instance was recently accepted for further consideration. Due to the rapid expansion and fast-paced nature of the ICT sector, the second panel felt that NCPs can expect to receive more complaints about the ICT sector. An important point was made that NCPs should be aware that the ICT sector is one of the few sectors where smaller and medium size enterprises can have a significant impact on human rights, given the potentially wide reach of technology, without the necessity for physical presence in the country of operation. NCPs can, therefore, expect to be faced with cases involving enterprises that are quite unfamiliar international human rights frameworks, including the *Guidelines*.

The panel highlighted that although the ICT sector is a new area for many NCPs, the potential of NCP impact on the sector is large. For example, investors and export credit agencies (ECAs) are increasingly looking to NCP final statements to inform investment decisions. Under the *OECD Common*

Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence that apply to ECAs, ECAs should consider NCP statements before awarding export credit. This has particular significance for some companies in the ICT sector because of the "dual use" nature of some technology and the need for ECAs support in underwriting the sale of particular technology. A failure to engage with an NCP can, therefore, result in blocking or withdrawal of export finance or diplomatic assistance for companies. The panel noted that the speed of industry growth and its global span can make it difficult for NCPs to keep track of relevant developments. Therefore, it is particularly important for NCPs to engage in collaborative efforts in order to ensure the most effective implementation of the *Guidelines*.

Moving forward: Lessons learned

Start of a new era

The launch of this Global Forum as a new platform for dialogue, on the heels of the significant advances in the convergence of international standards and principles on what constitutes responsibility, signals a start of a new era. In today's interconnected world, it is impossible for any stakeholder to escape or ignore questions of responsibility. As the Rana Plaza tragedy painfully demonstrated, although one might be able to outsource production, one cannot outsource responsibility.

Reinforcing the ecosystem of responsibility

As the discussions during the Global Forum clearly demonstrated, challenges are many. Classical issues that have existed for years, such as issues in the supply chain, continue to be a problem. At the same time, new issues, such as issues in the ICT sector, present complex challenges that often span multiple sectors and situations. Although the diversity of hurdles can at times be overwhelming, it has to be matched by a commonly shared ambition and concrete action for ensuring social rights and protection of the environment. Enterprises cannot exist in isolation of the communities in which they operate. At the same time, all actors – not only enterprises – have a responsibility for building a healthy business environment. Governments cannot abdicate their responsibility for protecting internationally recognised fundamental rights and ensuring good governance, fair regulations, and transparency. Labour and civil society have to engage constructively to ensure accountability and provide a voice for the most disadvantaged. Demonstrating a can-do attitude is a must for moving forward.

Leading by example

The discussion at the Global Forum pointed to the fact that one of the main barriers for seeing change on the ground is the large gap between theory and practice. A resounding message from all the panels was that shaping the future we want will require an unrelenting focus on the "how" in order to answer questions such as: how do you do due diligence; how do you ensure free and prior consent in stakeholder engagement; how do you use leverage to influence behaviour of investee companies, etc. For enterprises, this means translating words on paper to application on the ground; integrating responsibility into core business and making responsibility business-as-usual in internal business decision-making processes; not competing on social or environmental dimensions and accordingly re-aligning the incentive systems that drive managerial conduct; expanding the time horizon from the focus on quarterly profits to a longer term view; and finally, but most importantly, not doing harm. For governments, this means using resources effectively to focus on quality rather than quantity; building intra-governmental capacity to ensure RBC principles are integrated throughout government policies; engaging on multilateral platforms to work toward a global level-playing field; closing the information gap and increasing awareness of expectations among businesses; and implementing RBC principles in their own procurement policies as an example of how to drive change. Being accountable for your actions is at the core of responsibility for all actors.

Sustained engagement

Accelerating and amplifying these efforts will require active and sustained engagement by all stakeholders. Business executives, factory workers, and consumers alike are often missing from RBC conversations. Engagement is needed on a broad scale. Bringing relevant people to the table in venues such as this Global Forum is one area in which the OECD can add value since multi-stakeholder initiatives, including the *Guidelines*, are OECD's core business. Proactive OECD initiatives, such as the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas*, have yielded concrete results in the past through multi-stakeholder processes. NCPs could also play a critical role in this area as they themselves rely on multi-stakeholder processes; thus, improving NCP performance has to be on top of the agenda for the OECD. However, the only way we can hope to move forward the global responsibility agenda is through dialogue that is matched by action and results-oriented solutions. There was a strong agreement among all that allowing another Rana Plaza to happen on our watch is not an option.

Box 4.1. **Programme outline for the Global Forum for Responsible Business Conduct**

Wednesday, 26 June 2013

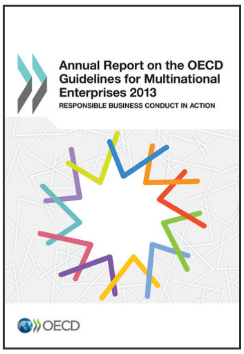
<table>
<tr><td>09:30-10:00</td><td colspan="2">Welcoming remarks and opening addresses</td></tr>
<tr><td>10:00-12:30</td><td colspan="2">Trends in responsible business conduct</td></tr>
<tr><td>14:00-16:00</td><td>Bangladesh: the way forward and implications for the textiles sector globally</td><td rowspan="2">14:00-18:00
Special event:
Disclosure and reporting</td></tr>
<tr><td>16:30-18:00</td><td>OECD Guidelines for Multinational Enterprises and the global RBC agenda</td></tr>
</table>

Thursday, 27 June 2013

<table>
<tr><td rowspan="2">09:30-16:30

09:30-11:00
11:15-13:00
14:30-16:30</td><td rowspan="2">WORKING SESSION 1 Responsible business conduct and the financial sector
Current practices of the financial sector
Responsibility and leverage of financial institutions
Roles and procedures of National Contact Points</td><td>09:30-13:00

09:30-11:00
11:30-13:00</td><td>WORKING SESSION 2 Stakeholder engagement and due diligence in the extractive sector
Challenges of stakeholder engagement on the ground
Next steps – options and recommendations</td></tr>
<tr><td colspan="2">14:30-16:30
Special event:
Responsible business conduct in the ICT sector</td></tr>
<tr><td>16:30-17:45</td><td colspan="3">Moving forward: Lessons learned</td></tr>
<tr><td>17:45-18:00</td><td colspan="3">Closing plenary</td></tr>
</table>



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