

Socially Responsible Labour Practices, the ILO's approach to CSR

Decent Work for Competitive and Sustainable Enterprises

Fredy Guayacan

Programme Manager

Responsible Supply Chains in Asia

Ho Chi Minh City, 17 January 2019

Emerging Consensus



International
Labour
Organization

SOCIAL RESPONSIBILITY

More and More CEOs Are Taking Their Social Responsibility Seriously

by **Rebecca M. Henderson**

FEBRUARY 12, 2018



86,780 views | Jan 23, 2018, 04:20pm

The World's Most Sustainable Companies, 2018



Karsten Strauss Forbes Staff



The Economist Intelligence Unit

A report from The Economist Intelligence Unit

No more excuses

Responsible supply chains in a globalised world



Criteria taken into account by responsible businesses rankings

- Pay a living wage to their workers.
- Gender pay gap
- Paid Time Off and parental leave policy
- Whether the company offers flexible work hours or day care.
- Companies recycles more waste.
- Whether the company pays fewer environmental fines, fewer worker safety fines, and fewer harassment/equal opportunity fines per dollar of revenue.
- Number of women in managerial positions.

New Rules of the Game



Importance of non financial information to investors' decisions.

Bilateral trade agreements and its reference to Fundamental Principles and Rights at Work



Growing demands for transparency and due diligence on labour issues

Pressure from consumers, importing countries, and buyers



Defining CSR

- «Voluntary and beyond compliance with the law»
- UN Guiding Principles: business is responsible for the impact of its operations on human rights

The International Labour Organization defines CSR as

"a way in which enterprises give consideration to the **impact of their operations on society** and affirm their principles and values both in their **own internal methods and processes** and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law."

Corporate Social Responsibility

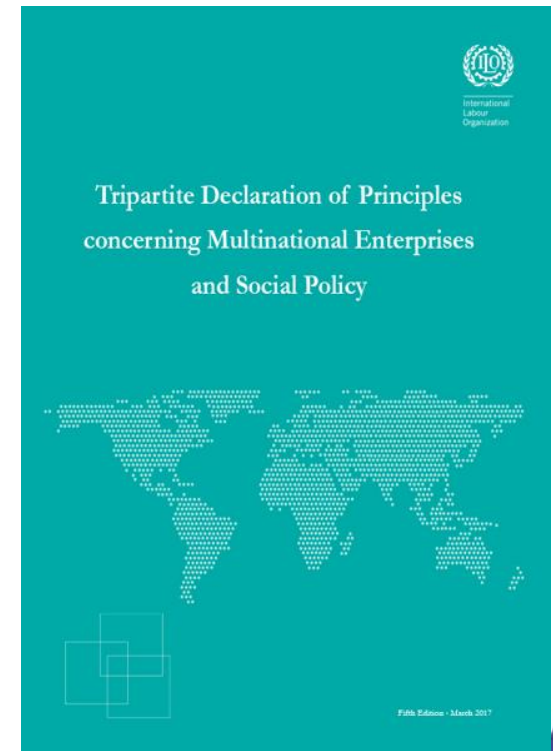
- Voluntary
- Integral part of the company management
- Systematic non occasional
- Linked with sustainable development
- Not a substitute for the role of government or for collective bargaining or industrial relations

Maximizing companies' positive impact on economic and social development (MNED)

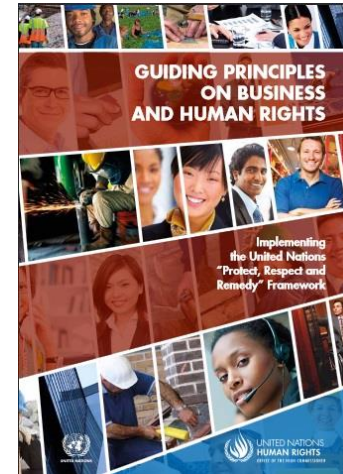
Guidance provided by the **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**

The ILO instrument to encourage enterprises (multinational and national) to contribute to decent work throughout their operations and to stimulate governments to put in place a conducive legislative and policy framework and to stimulate dialogue among all actors.

- Tripartite (including employers)
- Most recently revised in 2017



International frameworks and instruments referenced



MNE Declaration

- Declaration of principles contained in international labour standards and the 1998 Declaration on Fundamental Principles and Rights at Work
- First adopted in 1977, amended in 2000, 2006 and most recently in 2017.
- The only ILO instrument that directly addresses companies
- Guidance to **governments (host and home country)**
- Guidance to **multinational and national enterprises**
- Guidance to **social partners (host and home country)**

Different roles
and
responsibilities

Scope of the MNE Declaration

- The MNE Declaration is placed in the context of policy frameworks which address the private sector to achieve the goals set in the **2030 Agenda**, however this is the only instrument to comprehensively address issues related to the world of work.
- Emphasizes that **MNE operations** impact development not only through investment and trade, but also through the management of their operations.
- It also addresses policy makers, stressing on the need for appropriate and comprehensive institutional frameworks for decent work, benefiting both enterprises and workers.

Recommendations in five areas (for governments and enterprises)

General policies

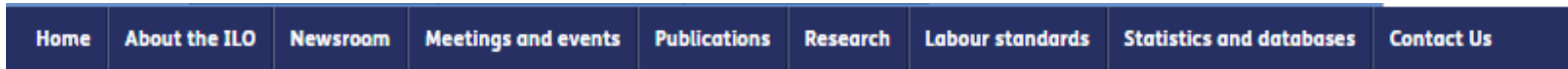
Employment

Training

Conditions of work and life

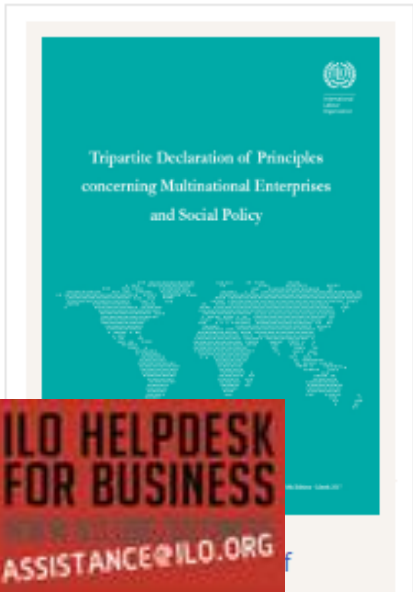
Industrial relations

Direct assistance for business – the ILO Helpdesk for Business on ILS **



ILO Helpdesk >

- About the Helpdesk >
- Tools and resources >
- Codes of practices and guidance documents >
- Questions and answers >
- Training and events >
- Business Networks >



[ILO home](#) > [About the ILO](#) > [How the ILO works](#) > [Departments and offices](#) > [Enterprises Department](#) > [Areas of work](#) > [ILO Helpdesk for Business on International Labour Standards](#)

ILO Helpdesk for Business on International Labour Standards



What's new

Operated by the [Multinational Enterprises and Enterprise Engagement Unit](#) >

Welcome to the ILO Helpdesk for Business, the one-stop shop for company managers and workers on how to better align business operations with international labour standards and build good industrial relations.

The [Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#) > (MNE Declaration) and the [ILO Declaration of Fundamental Principles and Rights at Work](#) > are the main ILO instruments that can provide companies guidance on social policy and responsible labour practices.

The ILO Helpdesk for Business provides information on a wide range of labour topics, all derived from the ILO MNE Declaration. Check out available ILO resources and tools as well as Questions and Answers (Q&As) and useful links on:

- [Child labour](#) >
- [Collective bargaining](#) >

- [New! Achieving Decent Work and Inclusive Growth: The Business case for social dialogue](#)
- [New! ILO-UN Global Compact Guide for Business on the rights of people with disabilities](#)
- [Interview with the expert: How can business promote diversity and inclusion through workplace adjustments? >](#)

See also

ILO working with the private sector



**New Industrial
Relations Framework**

**Elimination of
Child Labour**



ILO SCORE Training

- Training and consulting for suppliers
- 1,500 factories trained in 12 countries
- Supported by brands and retailers



Advanced manufacturing practices

1. Worker engagement
2. Lean manufacturing/kaizen
3. Clean production

High-performance HR practices

1. Performance-based reward systems
2. Continuous skills development
3. Non-discrimination

Worker safety

1. Integrated OSH systems
2. People-centric
3. Focused on accident prevention



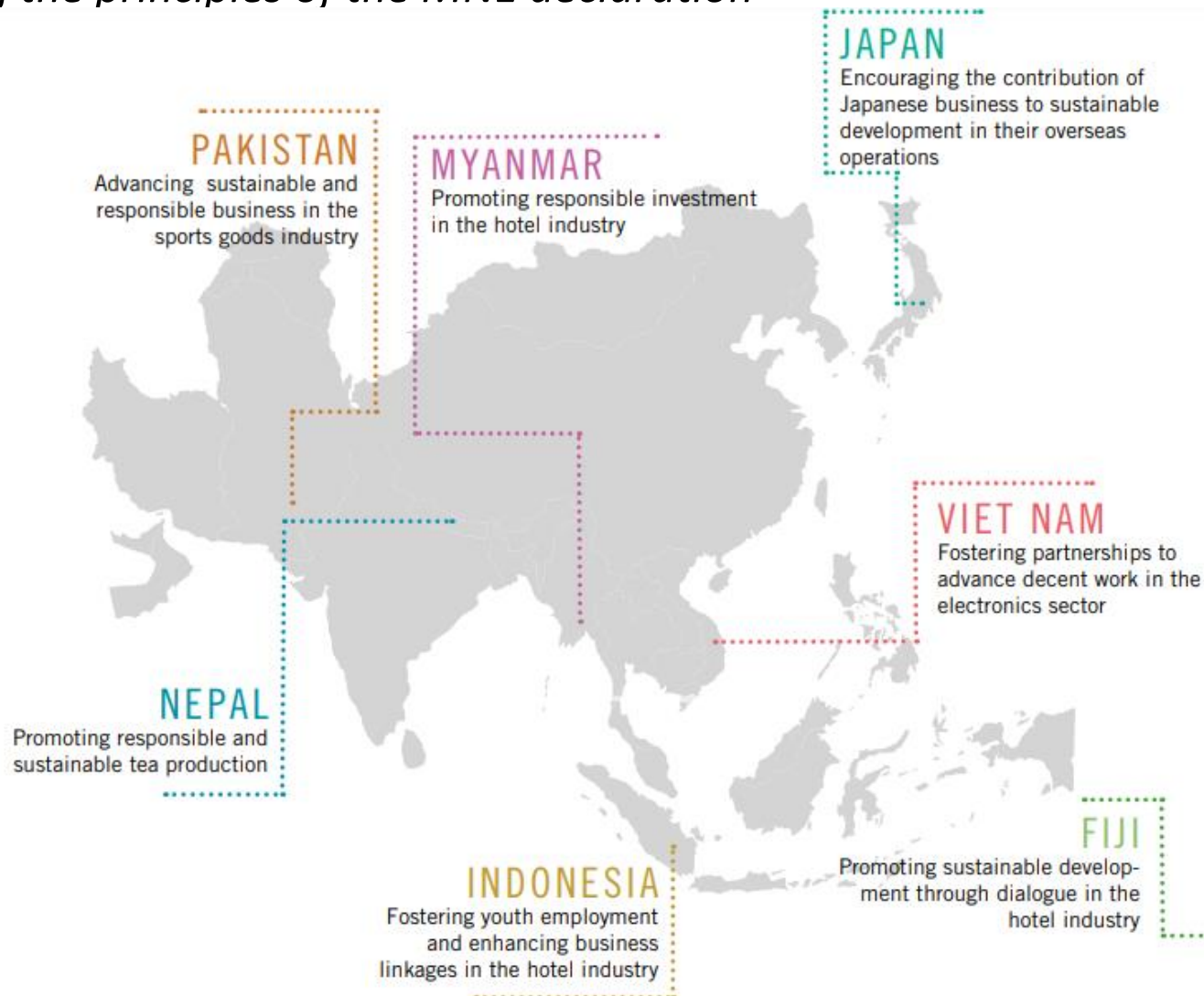
Higher productivity and better working conditions in SMEs

More and better jobs through socially responsible labour practices in the Asia-Pacific Region



International
Labour
Organization

Applying the principles of the MNE declaration





Project "Responsible Supply Chains in Asia"

A joint action by the European Union, the ILO and the OECD on responsible supply chains to promote corporate social responsibility (CSR)/responsible business conduct (RBC) with regards to decent work, environmental sustainability and respect for human rights.

Project Objectives

- **Increase understanding and knowledge** of investors, businesses, CSOs and policy makers on CSR/RBC from the perspective of decent work.
- Create **a policy environment** conducive to the promotion of socially responsible practices among businesses.
- Increase opportunities for businesses to have **dialogue on good practices, challenges and opportunities** in relation to CSR/RBC.

Whit whom?

- Multinationals, Vietnamese enterprises, SMEs supplying to Global Supply Chains
- Government, policy makers
- The Vietnam Chamber of Commerce and Industry (VCCI) and the Vietnam General Confederation of Labour (VGCL)
- Sectorial and Business Associations, Educational institutions, research entities and CSOs



International
Labour
Organization

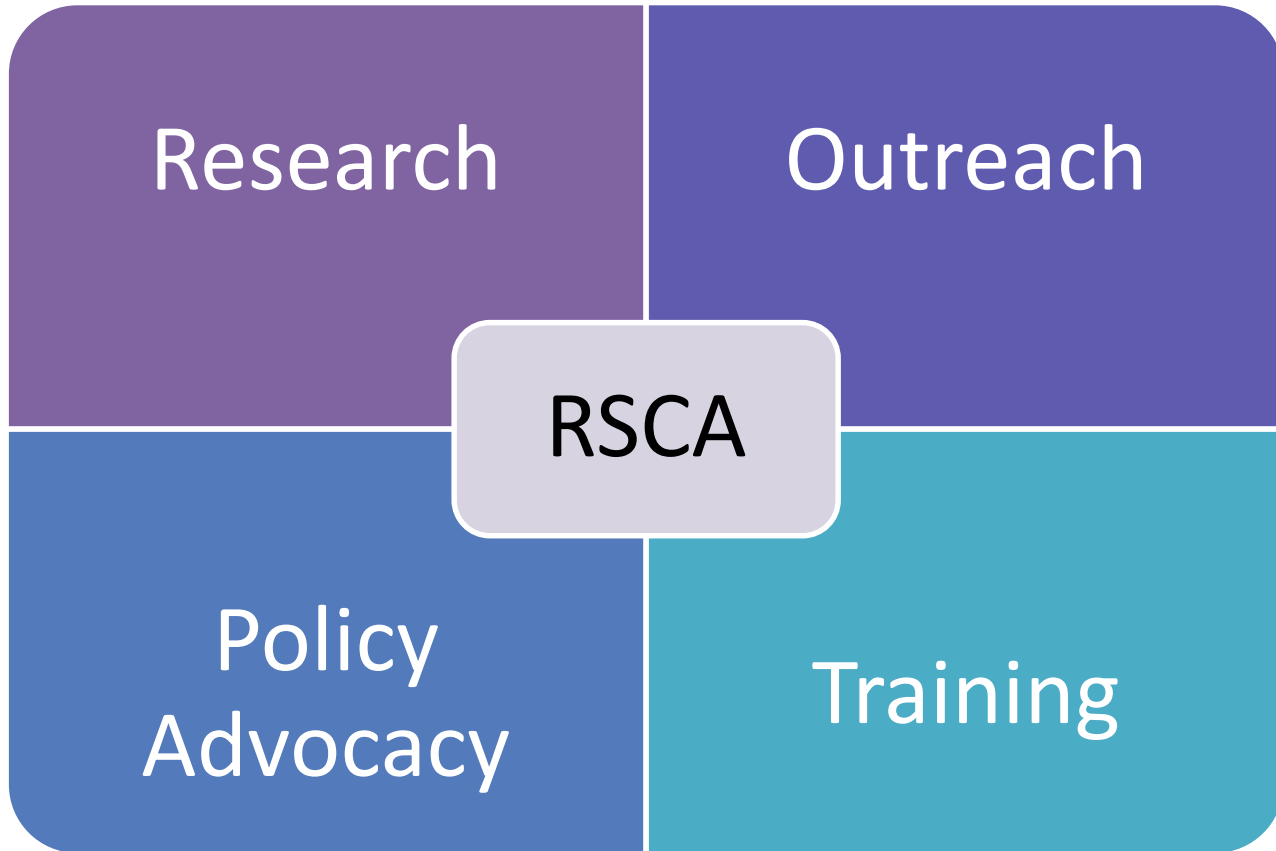
Countries covered

The project is being implemented in 6 countries:





International
Labour
Organization



Additional information

- www.ilo.org/mnedeclaration
- www.ilo.org/business

E-learning module of the MNE Declaration
www.ilo.org/mnelearning



International
Labour
Organization

Thank You

