

Key intervention: Responsible business for inclusive and sustainable societies

Thematic Area of the Coalition	<p><i>Expanding access to and capabilities for productive and freely chosen employment and sustainable enterprises</i></p> <p>This area of work centres on the promotion of an enabling environment for sustainable enterprises, decent work and productivity growth. The aim of partners contributing to this thematic area is to empower businesses, particularly SMEs, and workers with the skills, technologies and resources necessary to thrive in a rapidly changing world, while ensuring fairness, equity and access to opportunities, particularly for youth and women and to accelerate progress towards the achievement of SDG targets 8.5 and 8.6. Key actions include promoting access to lifelong learning and skills development, harnessing the power of digitalization and AI for the common good and sustainable development, and developing formalization strategies along with other active labour market policies.</p>
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1. Background and context

The Responsible Business Conduct agenda has gained in importance since the endorsement of the UN “Protect, Respect and Remedy” framework on business and human rights and its Guiding Principles on Business and Human Rights in 2011. This framework highlights the distinct and complementary roles and responsibilities of the State and enterprises in the area of human rights. These distinct and complementary roles are also reflected in the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) that aims to advance the business contribution to decent work and social justice through specific recommendations in the areas of employment, training, conditions of work and life, industrial relations and general principles. The MNE Declaration is addressed to governments and enterprises and in addition highlights the role of social partners and stimulates consultations among all parties. The OECD Guidelines for Multinational Enterprises on RBC are recommendations by governments addressed to enterprises. Since 2023 the OECD Guidelines for MNEs are complemented by an OECD Ministerial Recommendation on the Role of Government in Promoting Responsible Business Conduct, highlighting the role of government.

The aim of RBC is dual: 1) ensure that business operations respect human rights and do not have an adverse impact on people and planet; 2) stimulate the positive contribution that business make to economic, environmental and social progress. To achieve this aim, the State has the duty to protect against potential adverse impacts of business and to stimulate good business practices. Businesses have the responsibility to respect human rights in their operations and are encouraged to align their operations with the SDGs and national development and decent work priorities.

RBC considerations are increasingly included in trade and investment agreements, procurement policies, and other public policy initiatives often with a reference to the three international instruments that together make up the core instruments of RBC - the UN GPs, ILO MNE Declaration and the OECD MNE Guidelines. Businesses and business organizations have also taken initiatives to closer align their policies and practices with the recommendations of these international standards as well as to comply with

national law and regulations. Many companies have also signed up to upholding the UN Global Compact principles and have committed to Calls to Action on SDG goals and targets.

This intervention aims to bring all these actors and initiatives together for bigger impact at the country level towards sustainable and inclusive growth and employment, leading to social justice.

2. Collective ambition and rationale

This intervention aims at advancing an inclusive and comprehensive sustainability agenda across businesses of all sizes and sectors, including state-owned enterprises and those in the social and solidarity economy. By fostering responsible business practices, the initiative will contribute to SDG 8 (and more specifically targets 8.5, 8.7, 8.8), as well as SDG5,12 and 17.

The intervention will bring together key international organizations, stakeholders and initiatives, that are already engaged on the responsible business conduct agenda including the OHCHR, the UN Working Group on Business and Human Rights, the OECD, the UN Global Compact, UNDP, UNICEF, UN Women, IOE and ITUC amongst others, and leverage existing and new partnerships at the regional level (EU, AU, UEMOA, G20, etc.) and country level.

Collaboration already exists between international agencies at the global, regional and country level through programmes such as the EU-ILO-OHCHR-OECD “Responsible Business Conduct in Latin America and the Caribbean” project as well as through specific initiatives and efforts of partners, such as the UN Global Compact’s Forward Faster Initiative. Partnerships with UNCTAD, UNIDO and the World Association of Investment Promotion Agencies allow for closer aligning trade and FDI flows and investment decisions of MNEs with national development priorities, including job creation - especially for vulnerable groups such as women, youth, persons with disabilities - skills development, skills and technology transfer, local linkages programmes and local economic and cluster development opportunities for more inclusive growth.

By leveraging these partnerships, the initiative will drive targeted actions to promote respect for human rights, including fundamental principles and rights at work, decent working conditions, access to universal social protection, and sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, and skills development opportunities. It will also focus on leveraging and supporting EBMOs in their services to their members – including SMEs – and supporting workers’ organizations and their members on this increasingly important agenda, enhancing respect for human rights and related labour rights, enhanced quality employment opportunities and the resilience and sustainability of enterprises.

Important events, such as the flagship conference on RBC organized by IOE, are also peak moments to foster multi-stakeholder collaboration on RBC.

3. Actions and expected results

- 2024-2027 – Implementation of the Responsible Business Conduct in Latin America project (phase II) – funded by European Union – jointly implemented by ILO, OECD and OHCHR, covering 9 countries in Latin America
- 2025:
 - IOE international conferences on Business and Human Rights in May and October 2025; ;
 - Start of the Responsible Business Conduct in Africa project – funded by European Union – jointly implemented by ILO, ITC, OECD, OHCHR and UNDP covering 11 countries in Sub-Saharan Africa;
 - Session in the World Investment Conference on FDI for inclusive growth and decent work;
 - Session in the Annual Forum on Business and human rights + sessions in the regional forums on business and human rights led by OHCHR and/or UNDP and organized throughout 2025;

Other items to be added based on proposals of confirmed partners.

4. Partners' contributions

International organizations:

- Joint advocacy efforts on RBC
- Through development cooperation – strong and coherent support to member States on protection from adverse impacts of business operations and on stimulating positive contribution of business to inclusive growth and social justice.

Regional organizations:

- Initiate and/or closer align regional RBC initiatives with the global instruments for enhanced policy coherence.
- Organize policy dialogues on the role of RBC in advancing social justice in their region.
- Support capacity building programmes and promote exchanges between government officials, social partners and other relevant stakeholders of their member States.

Governments:

- Take appropriate measures to uphold its duty to protect human rights in business operations and ensure access to remedy
- Promote RBC based on the UNGPs, the MNE Declaration and other relevant international instruments through specific initiatives and by creating an enabling environment for sustainable enterprises.
- Take up the invitation of the ILO Governing Body to appoint national focal points on a tripartite basis (taking guidance from Convention No. 144) to promote the use of the MNE Declaration and its principles, whenever appropriate and meaningful in the national context, and encourage the involvement of the social partners in similar tools and processes that may exist in the national context in relation to the principles of the MNE Declaration.
- Stimulate a whole-of-government approach on RBC – involving social, environmental and economic/trade/industry/ financial ministries.
- Facilitate exchange on identifying the barriers (eg high incidence of informality; corruption, poverty, lack of an enabling environment for sustainable enterprises, lack of rule of law, lack of social

protection, lack of law enforcement; lack of access to remedy) to enterprises operating in a sustainable and responsible way

- Facilitate exchange of experiences in promoting RBC policies and initiatives that lead to tangible social justice outcomes at the country level.

Social partners:

- Participate in policy development on RBC to advance decent work
- Act as service providers for their members on RBC, including by expanding training offer and tools for member son RBC

Enterprises:

- Join IOE's network on RBC matters and associated RBC flagship events
- Join and participate in RBC working groups established by the national EBMO or similar initiatives in the country.
- Join ILO business networks under Alliance 8.7 - the ILO-GC Child Labour Platform and the ILO Forced Labour Business Network, and the ILO Business and Disability Network as well as other business networks that closely collaborate on the decent work agenda such as the Global Apprenticeship Network (GAN).
- Sign-up to the UN Global Compact Principles, the Women's Empowerment Principles (UN Women) the Children's Rights and Business Principles (UNICEF), or similar UN initiatives.

Other actors:

- Commit to aligning their initiatives (reporting, sectoral, issues-based) with the principles included in international instruments on RBC for enhanced policy coherence.