



**INTERNATIONAL CORPORATE  
ACCOUNTABILITY ROUNDTABLE**

July 18, 2017

## **G20 Progress Report: G20 Leaders Commit to More Sustainable and Inclusive Global Supply Chains—More Work Remains to Be Done**

Earlier this month, the leaders of the world's twenty major global economies released the [G20 2017 Leaders' Declaration](#), the culmination of seven months of discussion and debate relating to the most pressing issues affecting the global economy. High on the list of the German presidency's [priorities](#)—"addressing sustainable supply chains, internationally active companies, and adherence to fundamental labor, social, and environmental standards."

While the 2017 G20 process was subject to much political turmoil, the resulting commitments in relation to achieving sustainable and inclusive global supply chains were progressive. More specifically, the G20 leaders committed to:

- Fostering the implementation of labor, social and environmental standards and human rights in line with the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises (OECD Guidelines);
- Establishing National Action Plans on Business and Human Rights;
- Underlining the responsibility of business to exercise due diligence;
- Taking immediate and effective measures to eliminate child labor by 2025, forced labor, human trafficking, and all forms of modern slavery;
- Emphasizing that fair and decent wages as well as social dialogue are key components of sustainable and inclusive global supply chains; and
- Supporting access to remedy and non-judicial grievance mechanisms, such as the OECD National Contact Point (NCP).

### ***The 2017 G20 Process***

The German presidency presented an opportunity to push G20 governments towards making strong commitments in relation to sustainable global supply chains and responsible business conduct. Global civil society did not miss this important opportunity to influence this global policy debate.

Under the leadership of the International Corporate Accountability Roundtable (ICAR), as [international co-chair of the Civil-20 \(C20\) Responsible Investment Working Group](#), the C20 submitted [policy](#) recommendations to the G20 Labor and Employment Ministers calling for all

G20 countries to implement the UNGPs, accede to the OECD Guidelines, establish NCPs capable of delivering effective remedy, and require mandatory human rights due diligence throughout supply chains. ICAR also worked with civil society organizations focusing specifically on issues of business and human rights to propose [additional policy recommendations](#) under the newly formed G20 Business and Human Rights Task Force, and [collaborated with progressive business](#) around the Business-20 Summit to continue discussions on the importance of sustainable global supply chains.

These advocacy efforts were manifest in the [G20 Labor and Employment Ministers \(LEMM\) Declaration](#), which made a number of important commitments in relation to sustainable supply chains, including reaffirming their commitments to the UNGPs and OECD Guidelines; committing to “immediate and effective measures,” both domestically and abroad, towards eradicating modern slavery, forced labor, and human trafficking in global supply chains; and committing to promote due diligence and transparency in global supply chains by communicating clearly their expectations of businesses and welcoming initiatives to facilitate industry-wide due diligence and harmonize audit standards.

While the commitments made in the LEMM and G20 Leaders’ Declarations are critical in the realization of sustainable and rights-respecting global supply chains, more work remains to achieve the world we want. The vagueness in which many of these commitments are phrased leave significant room for interpretation as to how these actions will be achieved; making it difficult to hold States accountable in relation to following through with these commitments. Additionally, despite the advancement these commitments make in relation to existing State action on issues of sustainable development, they arguably do not go far enough in committing to bold new actions—such as requiring mandatory human rights due diligence for business enterprises based in G20 jurisdictions.

The commitments made in the 2017 G20 Leaders’ Declaration are only as strong as their implementation. In recognizing the need to operationalize commitments relating to rights-respecting global supply chains, in June, ICAR and others organized a workshop on [Fostering Sustainable Supply Chains: G2017 and Beyond](#) at the C20 Summit. The two-part discussion first analyzed the role of the G20 in promoting sustainable supply chains and progress made during the 2017 presidency, before taking a deeper dive into some of the salient human rights issues in global supply chains and concrete actions State have taken to address them—including in relation to responsible labor recruitment, corruption, and digitalization.

### ***Moving Forward to G2018 Argentina***

Following the July G20 Summit, all eyes shift to Argentina as the G20 prepares to transfer leadership to the Latin American country in December. While the Argentine political context presents unique challenges of its own; employment issues continue to be high on the priorities list of the G20 apparatus. Global civil society is hopeful that the 2018 G20 process will be as open and supportive of civil society engagement and dialogue as the 2017 German-led process proved to be.

ICAR will continue to play a coordinating role in this global governance fora through its work leading the G7/G20 Business and Human Rights Task Force and engagement in the C20 process.

For more information relating to upcoming advocacy opportunities or to register interest, visit [ICAR's website](#), or contact Cindy Woods, Legal and Policy Associate, [cindy@icar.ngo](mailto:cindy@icar.ngo).