

“RANA PLAZA” REFERRAL FOR OPINION

7 August 2013

Interim Communiqué of the French NCP on the “Rana Plaza” referral

In the wake of the collapse of the Rana Plaza textile factory building in Bangladesh on 24 April 2013, Nicole Bricq, the Minister for Foreign Trade, asked the National Contact Point (NCP) on 17 May 2013 **to investigate how the OECD Guidelines were being applied along the textile industry supply chain¹.**

The NCP has been asked to define the **scope of what the Guidelines refer to as the “business relationship”** of a multinational enterprise or buyer within the supply chain. It has also been asked to pinpoint the **due diligence measures** required to identify, prevent and mitigate actual and potential adverse impacts resulting from business activities, particularly in terms of safety, working conditions and the right to trade union representation.

To respond to the referral, **the NCP carried out an extensive series of interviews with a wide range of stakeholders**, including multinational enterprises and business federations, trade unions, non-governmental organisations, international organisations (ILO and OECD), academics, business law specialists and experts in corporate social responsibility, audit firms and non-financial ratings agencies. The first two interviews took place on July 2 and July 11. Consultations will resume at the beginning of September and will continue until the end of October.

This works should contribute to map the textile industry’s supply chains and to better understand their worldwide complexity. This should then enable the NCP to establish the scope and consequence of brands and buyers’ responsibility toward their business relationships beyond their tier 1 main contractors. There are effectively a wide number of actors and intermediaries involved in these supply chains, whose roles do often overlap. The NCP is looking into the content and the relevance of risk-management systems enterprises. It is also examining the measures taken by enterprises to ensure compliance with the Guidelines. Particular attention is being paid to hidden / illegal subcontracting and to the processes that can be implemented to help detect and prevent this practice.

Once these consultations will be completed, the NCP will publish a report on its website outlining its operational recommendations based on adequate and realistic measures, particularly relevant for risk-management systems, audit methods and content, and to mitigate adverse impacts. These recommendations will be designed to help French multinational enterprises with the concrete implementation of the OECD Guidelines. Other NCPs and the OECD Investment Committee will be involved in this process to ensure consistent discussions and work.

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¹ <http://www.tresor.economie.gouv.fr/File/386314>