

Opportunities in responsible supply chain

Secretary Silvestre H. Bello III

Project Launch: Responsible Supply Chains in Asia

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His Excellency Franz Jessen, the Ambassador of the European Union (EU), International Labor Organization (ILO) Country Office Director for the Philippines Mr. Khalid Hassan, distinguished speakers and guests, ladies and gentlemen, good morning!

It is both a privilege and an honor to be invited in this Stakeholders' Engagement of the Project Responsible Supply Chains in Asia. Thank you!

I commend the European Union, the International Labor Organization, and the Organization for Economic Cooperation and Development for joining forces to develop this project aimed at intensifying engagement and promoting responsible business conduct in Asia. By this undertaking, you will encourage businesses to adopt policies and practices in the areas of human rights, decent work, and environmental protection to advance sustainable and inclusive growth in the region.

The long-standing commitment of the EU to promote responsible supply chains on such a bigger scale, supported by the EU Treaties and reinforced in the EU Commission's trade policy strategy of 2015 "Trade for All", is finally taking-off.

While this project promotes EU, the commitment to identify responsible supply chain partnerships and strategic approach to Responsible Business Conduct (RBC) and Corporate Social Responsibility (CSR) will be most beneficial to Asia being among the largest trading partners of the European Union.

This project also provides opportunities for enhanced cooperation with our Asian neighbors -- China, Japan, Myanmar, Thailand, and Vietnam. These countries are major actors in global supply chains where a lot of important goods and services are derived.

Supply chains are the core of OECD's work to promote responsible business conduct as investment inflows for many economies in Asia are at record levels over the past five years.

I am truly delighted that the Philippines is among the countries where the Responsible Supply Chains Project will be implemented. We welcome this partnership with enthusiasm because it will contribute to an enhanced respect for human rights and strict observance of labor and environmental standards by businesses engaged in supply chains in this part of the globe.

Taking guidance from international instruments, we envision the project to promote corporate social responsibility and responsible business conduct with regard to environment, decent work, and human rights.

I am particularly pleased that the specific objective of the Project in the Philippines is to implement interventions in the food industry as it faces many significant issues. This is also the sector in the economy that represents 14 percent of the products imported from the European Union. The flow of these products have been growing so fast in recent years that when linked to agricultural value chain, we will realize that it contributes to the livelihood of over 10 million people employed in agriculture, forestry, fishery and hunting.

While we have a wide array of policies in the area of CSR and RBC, our implementation and measurement of success is limited.

Recently, there has been a growing interest on the part of businesses on mainstreaming social and environmental principles into core business processes. This is perhaps because consumers now take into account corporate social responsibility when choosing what product brands to patronize.

As a consumer myself, I personally give so much weight to a brand's ethics when making decisions to purchase. I consider and recommend a brand that gives even a small amount to charity.

Filipino consumers generally think businesses have the responsibility to do social good, and for them to ensure their supply chain does not harm the environment. They also put to task businesses that employ damaging practices like forced labor, child labor, evading proper tax payments, and those involved in various forms of corruption.

Labor standards in the global supply chain in particular is gaining recognition as an important consideration for consumers in choosing brands or products. Nowadays, consumers are becoming more aware of where their products come from and the conditions under which they were made.

To date, there is still a need to create greater awareness and understanding on the role and responsibilities of governments and international and national enterprises to advance the practice of CSR and RBC. Businesses particularly in the Philippines need to work hard to showcase their values and go beyond simply proving that their products are "a cut above the rest".

This project partnership is therefore timely as it will prepare us as well as our neighbors for the smooth transition into a more liberalized economic environment.

We are confident that this project will enhance our engagement and capacity on CSR and RBC in order to promote decent work in supply chains towards sustainable and inclusive growth in the region.

Thank you! Mabuhay!