

Case Update

French OECD Office Condemns Trade of Products issued from Child Labor as Flagrant Violation of OECD Guidelines

Paris, September 27, 2012. On Friday, 21 September 2012, the French National Contact Point (NCP) of the Organization for Economic Co-operation and Development (OECD) produced its final statement in the Devcot Case, related to the use of forced labor of children and adults for harvesting cotton in Uzbekistan. The NCP held that the trade in goods produced from forced child labor constitutes a flagrant violation of the OECD Guidelines for Multinational Enterprises but states French firm Devcot S.A. does not supply in violation of the OECD Guidelines (<http://www.tresor.economie.gouv.fr/File/375194>).

The human rights organizations ECCHR and SHERPA welcome this decision as a new step towards corporate social responsibility with respect to the chain of suppliers. The NCP explicitly pointed out that it took into account the revised version of the OECD Guidelines of 2011 to make its decision. Other NCPs had previously ruled against the responsibility of enterprises sourcing their supplies from companies resorting to child labor. While Devcot has not purchased any Uzbek cotton in the last few years, it has committed not to resume its trade in Uzbekistan until child labor has ended. The NCP also reminded the company of its responsibility for its supply chain and invited Devcot to carry out due diligence and to apply the recommendations of the OECD towards its trade partners.

ECCHR and SHERPA had filed complaints under the OECD Guidelines between October 2010 and January 2011 against the French cotton wholesaler Devcot and six other European cotton traders. These companies were accused of trading with Uzbek cotton, which is harvested with the help of state-organized forced labor of children and adults. ECCHR and SHERPA believe that companies trading in such conditions help maintain this exploitative system and therefore breach the OECD Guidelines.

William Bourdon, president of SHERPA, welcomed the decision of the NCP: "The consideration of the revised version of the OECD Guidelines has led to a significant expansion of corporate responsibility". Miriam Saage-Maaß of ECCHR agrees: "Merchants worldwide will have to check now with the greatest attention under which conditions the goods they trade in are produced."

SHERPA and ECCHR therefore expect that this decision will have an impact on the business activities of those companies that continue to buy cotton from Uzbekistan.

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