



Specific Instance - Social Justice Center and Evolution AB

Final statement from the Swedish NCP

Date 29/07/2025

This is the final statement of the Swedish National Contact Point for Responsible Business Conduct (NCP) regarding the case between the Social Justice Center and Evolution AB. The NCP decided on an initial assessment in the case on 21 January 2025.

As noted in the Implementation Procedures to the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* (the Guidelines), following the conclusion of a specific instance and after consultation with the parties involved, the NCP will make the results of the procedures publicly available.

In this specific instance good offices were offered but declined by the enterprise. Since no agreement was reached by the two parties on the complaint, the NCP is issuing the following statement on its own behalf. This statement describes the issues raised and the process.

This statement also identifies recommendations made by the NCP to the enterprise and to the local union. This statement also includes the reasons why good offices were declined by the enterprise.

As specific instances are not legal cases and NCP's are not judicial bodies, NCP's cannot directly order compensation nor compel parties to participate in a conciliation or mediation process.

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1. Overview of the NCP and its role

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct are recommendations adhered to by governments and addressed to the country's multinational enterprises operating abroad. They aim to encourage positive contributions that enterprises can make to economic, environmental and social progress, and to minimise adverse impacts on matters covered by the Guidelines that may be associated with an enterprise's operations, products and services. The Guidelines cover all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, disclosure, science and technology, competition and taxation. The 2023 edition of the Guidelines provides updated recommendations for responsible business conduct across key areas such as climate change, biodiversity, technology, business integrity and supply chain due diligence, as well as updated implementation procedures for the National Contact Points for Responsible Business Conduct.

The NCPs have a dual mandate, to raise awareness and promote observance of the Guidelines, as well as to contribute to the resolution of issues that arise relating to the implementation of the Guidelines. The NCPs contribute to the resolution by offering good offices, and where applicable, issuing determinations, recommendations, and carrying out follow up.

In Sweden, the Ministry for Foreign Affairs is responsible for the function of the NCP secretariat and the NCP is chaired by a representative from the ministry. The NCP has a tripartite structure composed of social partners, implying that unions and employer organisations are also represented.

2. Executive Summary

The submission by the Social Justice Center of a specific instance against the enterprise Evolution AB was received by the Swedish NCP on 19 August 2024.

The Social Justice Center is a non-governmental organisation based in Tbilisi, Georgia, and was authorized to submit a complaint on the behalf of the trade union Evo-Union.

Evolution AB is an on-line live gaming company headquartered in Stockholm. Evolution AB has operations in Georgia and other countries and has around 22,000 employees in studios in Europe and the Americas.

The issues raised in the specific instance referred to Chapter V. (Employment and Industrial Relations) of the OECD Guidelines. During the process, issues related to Chapter IV. (Human Rights), have also been raised. The reception of the complaint by the NCP was acknowledged on August 20, 2024. Evolution AB was notified of the submission on 29 August 2024. The NCP validated the submissions' admissibility on its meeting 25 September 2024.

The Swedish NCP decided in its initial assessment on 21 January 2025 that the case merited further examination. The decision was based on information received from both parties.

The procedure followed by the Swedish NCP consisted of arranging separate meetings with the complainant and the enterprise. Good offices were offered and were accepted by the complainant but declined by the enterprise. The enterprise stated on several occasions that according to them, a process

of good offices would not lead the procedure forward and would thus not provide any results. Therefore, good offices could not be arranged.

Since the publication of the Initial Assessment, both the Social Justice Center and Evolution AB have provided additional information regarding matters related to the conflict between the parties.

The NCP concludes that the parties have presented fundamentally different views of the situation on the ground, and for the NCP it has been challenging to get a clear picture. Considering these circumstances, the NCP provides recommendations as to how the situation could be improved respecting the Guidelines (see part 5. Examination and recommendations including follow up).

The NCP also noted that there was information about parallel legal proceedings, relating to workers' dismissal, but this information was not considered by the NCP.

3. Substance of the submission (facts presented) and the enterprise's response

In its complaint the Social Justice Center raised issues regarding employees of Evolution AB's subsidiary in Georgia. The referral targets Evolution AB with respect to its Georgian subsidiary Evolution Georgia's activities in Tbilisi. The complainant refers to three paragraphs in Chapter V, Employment and Industrial Relations, in the Guidelines, 4 b, 4 c and 7. During the process, issues related to Chapter IV. Human Rights, have also been raised.

3.1 Chapter V. Employment and Industrial Relations:

The Guidelines' paragraphs referred to says the following¹:

- 4 b) "When multinational enterprises operate in developing countries, where comparable employers may not exist, provide the best possible wages, benefits and conditions of work, within the framework of government policies. These should be related to the economic position of the enterprise, but should be at least adequate to satisfy the basic needs of the workers and their families."
- 4 c) "Take adequate steps to ensure occupational health and safety in their operations.", and
- 7 "In the context of bona fide negotiations with workers' representatives on conditions of employment, or while workers are exercising a right to organise, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer workers from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organise."

3.2 The submission (facts presented) and the enterprise's response.

The complainant refers to actions allegedly taken by Evolution Georgia targeted towards union members and employees. In July 2024, a number of employees of the company went on strike. The strikers were

¹ Since the specific instance concerns events which started before 2023, this final statement refers mainly to the OECD Guidelines from 2011.

protesting against low pay, unhealthy and unsafe working environment and working conditions, violation of sanitary and hygiene norms in the workplace, derogatory treatment of employees and other problems related to the working conditions in the company.

Before the employees went on strike, a mediation process took place between the parties, with the involvement of a mediator appointed by the Ministry of Labour, Health and Social Protection of Georgia. However, the mediation did not result in any positive outcome, and it was not possible to reach an agreement between the two parties.

The complainant expects to pressure the company to genuinely consider the concerns of its employees and to change the practice of labour rights violations. The complainant has asked the Swedish NCP to offer its good offices in mediation in order to seek dialogue.

Evolution AB has informed the NCP that there have been regular meetings and negotiations held with the Evo-Union (the “Union”) discussing various demands and addressing questions and concerns raised by employees. A mediator was appointed by the Georgian government on June 4, 2024. After having concluded a 21-day period of new negotiations (mediation period), no agreement had been reached and the Union declared its intention to initiate a strike.

With reference to the issues raised in Chapter V. Employment and Industrial Relations, in the Guidelines, Evolution has stated that:

- 4 b) there is a very competitive remuneration package, well above the requirements in the OECD Guidelines,
- 4 c) health and safety of the employees is the highest priority of the company,
- 7) the company supports the employees’ rights to organise.

ILO Georgia was invited to the Swedish NCP to give a general presentation of the labour circumstances prevailing in the country, including the labour market development and capacity and resources provided by the Labour Inspection Agency (fully fledged).

Since the Initial Assessment, both the Social Justice Center and Evolution AB have provided further information regarding matters related to the conflict between them.

4. Timeline

The proceedings of the NCP to date:

Date	Action that occurred
19.08.2024	<i>Submission received</i>
20.08.2024	<i>NCP confirmed the receipt of the submission</i>
22.08.2024	<i>NCP contacted Evolution AB with the request for a contact person at Evolution AB.</i>
28.08.2024	<i>Reminder sent to Evolution AB with regards to a contact person</i>

28.08.2024	<i>Evolution AB provided a name and contact details for the contact person</i>
29.08.2024	<i>Evolution AB was notified of the complaint by NCP</i>
20.09.2024	<i>Evolution AB responded to the submission</i>
25.09.2024	<i>NCP secretariat informed members of the NCP of the specific instance. NCP decided that an initial assessment was to be developed.</i>
17.10.2024	<i>Meeting with Evolution AB to explain the NCP process and let the enterprise add details to the file</i>
18.10.2024	<i>Meeting with Social Justice Center to explain the NCP process and let the submitter add details to the file</i>
25.10.2024	<i>Meeting with NCP, with the participation of Evolution AB</i>
28.10.2024	<i>Meeting with NCP, with the participation of Social Justice Center</i>
06.11.2024	<i>Draft initial assessment shared with the NCP</i>
04.12.202	<i>NCP provided comments received on the draft initial assessment</i>
17.12.2024	<i>Draft initial assessment shared with the parties</i>
10.01.2025	<i>Evolution AB provided comments received on the draft initial assessment</i>
11.01.2025	<i>Social Justice Center provided comments received on the draft initial assessment</i>
21.01.2025	<i>The initial assessment finalized (and good offices offered)</i>
23.01.2025	<i>Meeting with NCP, discussed next step</i>
27.01.2025	<i>Evolution AB informed that they declined to take part in good offices</i>
03.02.2025	<i>Meeting with Evolution AB to explain the outcome of the Initial Assessment and next steps.</i>
04.02.2025	<i>Meeting with Social Justice Center to explain the outcome of the Initial Assessment and next steps.</i>
11.03.2025,	<i>Meeting with NCP, the specific instance discussed</i>
09.04.2025	<i>Meeting with NCP, the specific instance discussed</i>
09.05.2025	<i>Draft of Final Statement shared with NCP for comments</i>
21.05.2025	<i>Meeting with NCP, draft of Final Statement discussed</i>
11.06.2025	<i>Draft of Final Statement shared with NCP for comments</i>
18.06.2025	<i>Meeting with NCP, draft of Final Statement discussed</i>
19.06.2025	<i>Written procedure of the NCP regarding the draft of the Final Statement</i>
25.06.2025	<i>Fact checking with the parties</i>

Due to the risk of impartiality of one Swedish NCP member, with whom a potential conflict of interest could occur, that member refrained from participating in the discussion of this specific instance throughout the whole process above.

5. Examination and recommendations including follow up

Good offices were offered to the parties. The complainant accepted the offer, but the enterprise declined. The enterprise stated on several occasions that according to them, a process of good offices would not lead the procedure forward and would thus not provide any results. Therefore, good offices could not be arranged.

During the process of this specific instance, the NCP held several meetings and communicated with both parties, and additional information was provided.

The NCP concludes that the parties have presented fundamentally different views on the situation on the ground, and for the NCP it has been challenging to get a clear picture.

The NCP has not been able to make an on-site visit in Georgie to verify the conflicting facts and has therefore only made its assessment on the information provided.

The NCP notes that the enterprise states in its Annual Report 2023 that it adheres to the OECD's guidelines for multinational companies.

From the information obtained during the process there are some observations and considerations that the NCP would like to make below. Stemming from these observations and considerations the NCP would like to give some recommendations.

5.1 OECD Recommendation Chapter V. 4b (wages)

Observations and considerations

The complainant refers to the following provision V. 4b in the OECD guidelines:

"When multinational enterprises operate in developing countries, where comparable employers may not exist, provide the best possible wages, benefits and conditions of work, within the framework of government policies. These should be related to the economic position of the enterprise, but should be at least adequate to satisfy the basic needs of the workers and their families."

Regarding minimum wages in Georgia, there are substantial gaps in the existing government regulations. Georgia's private sector minimum wage is regulated by the Presidential Order from 1999, which sets EURO 6.81 per month. ILO has commented that this amount cannot be a realistic sum for a monthly salary. In addition, Georgian legislation does not recognize the concepts of a fair remuneration and a decent remuneration, which are guarantees by core international human rights agreements.

The issue of salary level has been a source of conflict. The complainant means that the salary levels are too low. The enterprise claims to provide wages which are substantially above Georgia's minimum wage, and they have provided information from which they conclude that the wages that they offer are very competitive and well above the requirements in the OCED Guidelines.

Recommendation by the NCP:

The NCP has taken part of the information provided and the different views on the matter. The NCP notes that the guidelines i.a. says that where comparable employers may not exist, enterprises should provide the best possible wages, benefits and conditions of work, within the framework of government policies. It is difficult for the NCP to ascertain what are the best possible wages in Georgia. The NCP encourages the parties to meet and engage in a dialogue on the issue. The NCP believes that it would be to the benefit for both parties.

5.2 OECD Recommendation Chapter V. 4c (safety and health at work)

Observations and considerations

The complainant refers to the following provision V. 4c in the OECD guidelines:

“Take adequate steps to ensure occupational health and safety in their operations.”

Social Justice Center claims that the work environment at Evolution AB is substandard in several aspects. For example, they assert that the employees are strictly supervised and cannot move freely in the premises, endure physical damages due to internal control and lack of daylight, report sexual reflections from management and in the event of illness at the workplace, employees have been encouraged to return to work in order not to lose their bonus. The Social Justice Center further claims that there is harassment specifically targeting union members.

The company is of the opinion that issues raised by the union regarding the work environment have been addressed and that others of the issues are without reason. They claim to have a modern facility with a good working environment and mentions qualities such as good ventilation with good air quality, a quiet workplace and access to gym. They claim to apply 3-shifts with 8 hours of working time. As a rule, employees work for three days and then take three days off. The work with online games is based on the employee managing a gaming table where the employee plays on a maximum of four tables (30 minutes per table) after which they take 30 minutes rest.

Georgia's Labour Directorate has also found violations of trade union rights in the workplace. There are also some legal cases that are with the public defender of Georgia as it is a violation of Georgia's laws.

Recommendation by the NCP:

The NCP has taken part of information provided by the complainant regarding challenges related to safety and health at work, as well as the enterprise's reply concerning this information. Regarding the OECD Guidelines, the NCP recommends the enterprise to take adequate steps to ensure occupational health and safety in their operations and to engage in a continuous dialogue with its employees in order to be able to identify safety and health concerns at work.

5.3 OECD Recommendation V. 7 (workers' right to organize etc)

Observations and considerations

The complainant refers to the following provision V. 7 in the OECD guidelines:

"In the context of bona fide negotiations with workers' representatives on conditions of employment, or while workers are exercising a right to organise, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer workers from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organise."

The union claims that the company refuses to negotiate with union representatives and that the company has failed to conduct due diligence in the workplace, failed to sign collective agreements as well as failed to respect the right to bargain collectively. The trade unions in Georgia are willing to have a dialogue, negotiations and mediation of presented demands of 42 points, including higher pay and safer working conditions.

With reference to the issues raised in Chapter V. Employment and Industrial Relations, in the Guidelines, Evolution has stated that the company supports the employees' rights to organise.

Recommendation by the NCP:

Regarding the OECD Guidelines the NCP concludes that the enterprise should always engage in constructive negotiations with representatives of workers, with a view of reaching agreements on terms and conditions of employment (Guidelines 2011 Chapter V. 1 b). Therefore, the NCP recommends Evolution AB to resume the dialogue with the Union, in order to achieve a constructive environment of cooperation.

The NCP is available for assistance in facilitating a dialogue when the parties so require.

5.4 IV. Human rights

Furthermore, the NCP has received information that there has been violence from the strikers' side as well as by security guards that the enterprise hired.

According to Chapter II (General Policies) enterprises "should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard: A. Enterprises should: (para 2) Respect the internationally recognised human rights of those affected by their activities.

Furthermore, according to the OECD Guidelines (Chapter IV) enterprises "should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations ..." and (para 2) within "the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such

impacts when they occur.” In commentary 36 in this Chapter, reference is also made to the UN Guiding Principles on Business and Human Rights.

Recommendation by the NCP:

Regarding the OECD Guidelines, the NCP recommends Evolution AB to make sure that employees have the possibility to get organized and to negotiate collectively.

Furthermore, the NCP strongly rejects all possible violent acts or illegal measures from either party. The NCP encourages the parties to make sure that there will be no illegal measures taken by any of their representatives or participants at strikes or other activities.

Follow up

The NCP will follow up on the matter after 12 months.