

FINAL STATEMENT BY THE UK NATIONAL CONTACT POINT FOR THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES: G4S AND UNION NETWORK INTERNATIONAL

OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

1. The Guidelines are recommendations that governments endorse and promote in relation to the behaviour of multinational enterprises. They are voluntary principles and standards for responsible business conduct. They are the only comprehensive, multilaterally-endorsed code of conduct for multinational enterprises.
2. The Guidelines establish non-legally binding principles covering a broad range of issues in business ethics in the following areas of operation: general company policies, disclosure of information, employment and industrial relations, environment, combating bribery, consumer interests, responsible use of science and technology, competition and taxation.
3. The Guidelines are not legally binding but OECD governments and a number of non OECD members are committed to promoting their observance. The Guidelines are also supported by the business community and labour federations. In addition, a number of Non-Governmental Organisations are also heavily involved in the work of the OECD Investment Committee responsible for monitoring and reviewing the Guidelines and are increasingly involved in overseeing the operation and promotion of the Guidelines.
4. The final statement has been approved by Gareth Thomas, Minister for Trade and Consumer Affairs and copies have been placed in the House of Commons and the House of Lords libraries.

SPECIFIC INSTANCE PROCEDURE

5. The first step when a complaint is brought to the NCP under the OECD Guidelines is the initial assessment; this consists of a desk-based analysis of the complaint, the company's response and any additional information provided by the parties. The NCP uses this information to determine whether further consideration is required under the Guidelines. The initial assessment is published to: www.berr.gov.uk/nationalcontactpoint. If a case is accepted, the NCP instigates mediation between the two parties to ascertain whether they can agree on an appropriate way forward. Should mediation fail, the NCP will determine whether the Guidelines have been met and if necessary, make recommendations for future conduct.

BACKGROUND OF COMPLAINT

6. On 12 December 2006, the UK National Contact Point (NCP) received a request from UNI (the Complainant) to consider the specific instance regarding G4S (the Company).

7. In March 2008, the NCP published its initial assessment accepting the complaint for further consideration concerning Nepal, Mozambique, Malawi and the Democratic Republic of Congo under the following paragraphs of the Guidelines:

- a. Chapter II, Paragraph 1. The Guidelines state that “enterprises should ... contribute to economic, social and environmental progress with a view to achieving sustainable development.”
- b. Chapter IV, Paragraph 1 (a): right to organise. The Guidelines state that “Enterprises should, within the framework of applicable law, regulations and prevailing labour regulations and practices... respect the right of their employees to be represented by trade unions and other bona fide representatives of employees, and engage in constructive negotiations, either individually or through employers associations, with such representatives with a view to reaching agreements on employment conditions.”

8. The initial assessment outlined the allegations that were accepted for further consideration as: in Mozambique on non payment of back pay, non payment of severance pay, dismissal and blacklisting of workers with union involvement and non compliance with Court and Minister orders. In Malawi on overtime pay, refusal to allow medical visits, and refusal to leave, and in Nepal on provision of holiday bonuses, access to toilets or water for security officers in private homes, payments to provident fund and lack of rules and advanced notice on remote or difficult postings and the issue of union recognition in DRC. **Acceptance of a complaint for further consideration does not mean that the NCP considers G4S to have operated inconsistently with the Guidelines.**

9. The parties to the complaint agreed to mediation.

Summary of mediation (provided by G4S and UNI)

10. By decision dated, March 2008 the UK NCP for the OECD Guidelines for Multinational Enterprises announced its intention to accept a specific instance under these Guidelines. In an effort to reach a voluntary resolution to the case the NCP appointed ACAS Arbitrator and Mediator John Mulholland to serve as conciliator-mediator.

11. Mr. Mulholland convened a series of conciliation discussions between the G4S and UNI to consider the concerns raised by UNI regarding the conduct of G4S in relation to the Guidelines in four countries: Democratic Republic of Congo, Nepal, Malawi and Mozambique.

12. Further to these discussions, G4S and UNI have reached an agreement in resolution of this case.

13. The parties have agreed to specific commitments with regard to the specific issues presented in Nepal and DRC. In connection with Mozambique

and Malawi, the parties have agreed to a process to allow them to work more closely together on a number of specific issues at the national level. The aim of this process is to both protect the rights and interests of G4S employees and to build and strengthen the local relationships between G4S and the unions which represent its employees.

14. As part of this process G4S has also reaffirmed its ongoing commitment to honour and respect national law and to respect the ILO core labour Conventions, including the rights to freedom of association and collective bargaining.

NCP comment

15. Accordingly this formal process has now been concluded and there will be no investigation into the allegations made in UNI's complaint to the UK NCP.

16. The UK NCP congratulates G4S and UNI for engaging constructively and in a manner that has directly resulted in their agreement to this mediated settlement

12 December 2008

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