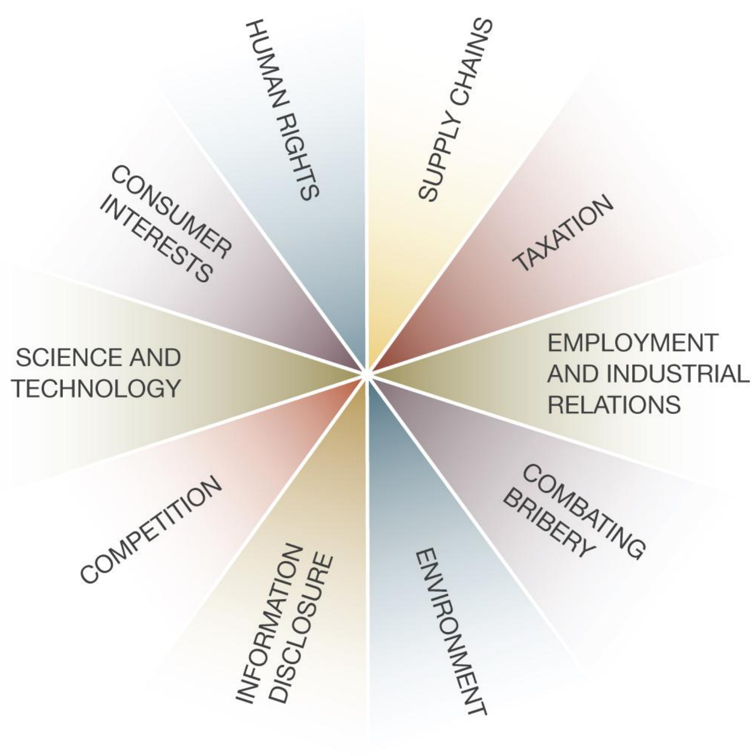
OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

The OECD Guidelines for Multinational Enterprises are the most comprehensive instrument for corporate responsibility in existence today and one of the very few multilaterally agreed by governments. Their implementation mechanism has enhanced the positive contribution which multinational enterprises can make to economic, social and environmental progress.



The unique features of the OECD Guidelines

Through the OECD Guidelines, 41 adhering governments make recommendations to companies in all major areas of business ethics to ensure that they operate in harmony with government policies and host societies. The Guidelines are supported by a unique implementation mechanism: through their "specific instances" facility, National Contact Points (NCPs) - government agencies responsible for the Guidelines - offer their good offices to help parties resolve disputes. The business community and trade unions officially support the Guidelines; NGOs have also formed a coalition to advise their stakeholders on the use of the Guidelines.

Prominent recognition

The OECD Guidelines have received prominent recognition from the G8, OECD Ministers and in various UN contexts:

- The G8 has called for private corporations and business organisations to observe the principles in the OECD Guidelines and invited developing countries to associate themselves with their values and standards.
- The UN Secretary General's Special Representative on Business and Human Rights, John Ruggie, has stated that the OECD Guidelines are "the most widely applicable set of government-endorsed standards related to corporate responsibility and human rights".

Governments adhering to the OECD Guidelines for Multinational Enterprises

OECD members: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

Non-members: Argentina, Brazil, Chile, Egypt, Estonia, Israel, Latvia, Lithuania, Peru, Romania, Slovenia.

A solid track record

Eight years after the 2000 Revision, the Guidelines have established a solid track record. Recent surveys* confirm that the OECD Guidelines belong to the league of the most widely referenced global corporate responsibility instruments and that leading corporations extensively use the Guidelines for developing their own codes of conduct.

Some 180 “specific instances” have been brought to the NCPs' attention since the 2000 Review. Most of them concern the Employment and Industrial Relations chapter of the Guidelines.

Through mediation and conciliation of these cases, the Guidelines have contributed to reducing social tensions and to building trust between international business and host societies. The majority of the cases have related to business operations in developing countries. The Guidelines thus give an important voice to developing country actors.

A variety of government agencies are now using the Guidelines as a tool for communicating expectations to business, including on labour and social issues. For example, a majority of adhering governments make use of the Guidelines in the context of export credits or investment guarantees or in trade and investment promotion campaigns. Embassy networks are also actively used to promote and implement the Guidelines.

Non-members are engaged

Brazil and ten other non-OECD countries have adhered to the Guidelines. Four further applications are pending. China, Russia and other emerging markets look to the OECD Guidelines as an important benchmark. A forthcoming OECD report shows how responsible business on the part of enterprises in China and by Chinese enterprises operating abroad can further contribute to the improvement of the employment conditions of Chinese workers, reduce labour cost advantages derived from practices which are not socially responsible and create a level playing field for investment.

The OECD responded to the UN Security Council's call for responsible investment in fragile African states by adopting in 2006 the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones. Based on the Guidelines, this instrument provides the only multilaterally-endorsed comprehensive guidance for companies operating in countries where governments are unable or unwilling to assume their responsibilities. Work is underway with the OECD Development Assistance Committee and the UN to help companies to make the best use of this tool in situations where there is a high risk of corruption, labour and other human rights abuses.

Building partnerships—recent developments

In May 2008, the OECD and ISO concluded a Memorandum of Understanding to closely co-operate in ensuring that the proposed ISO 26000 Standard on Social Responsibility and related activities are consistent with and complement the OECD Guidelines for Multinational Enterprises.

EMPLOYMENT AND INDUSTRIAL RELATIONS

In June 2008, at the request of the G8, the OECD and ILO organised a High-Level Policy Dialogue on Corporate Social Responsibility on the theme of “Employment and Industrial Relations: Promoting Responsible Business Conduct in a Globalising Economy” which was attended by major non-OECD economies and a large number of social partners. This event identified several promising areas for further exploiting synergies between the OECD Guidelines and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. OECD and ILO have since identified concrete ways to move forward.

An OECD study released in June 2008 prepared with input from the ILO and the UN Global Compact shows how leading corporate responsibility instruments can usefully guide business-driven initiatives and make the most of synergies between them.

FURTHER INFORMATION

More information about the OECD Guidelines for Multinational Enterprises is available online at:

www.oecd.org/daf/investment/guidelines

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* Surveys include: Fortune Global 500, 2008 Dow Jones Sustainability Index, 2008 FTSE4good Global Index, as well as surveys by Vigeo and the OECD.