OECD, partner governments commit to enhance value of Multinational Guidelines

Five years after the official launch of a revised version of the OECD’s Guidelines for Multinational Enterprises, 39 governments have reaffirmed their commitment to making them an even more useful instrument for promoting corporate social responsibility among multinational enterprises.

At their meeting this week, adhering governments agreed to further enhance the usefulness of the Guidelines for companies designing and implementing their own corporate responsibility policies. They have also undertaken to stimulate further interaction and exchanges of experience between National Contact Points. They look forward to ongoing partnership with business, trade union and NGOs from both OECD and non-OECD countries.

The Guidelines are the only comprehensive government-backed instrument in the field of corporate social responsibility. They provide voluntary recommendations for international business on ethical behaviour in such areas as human rights, responsible supply chain management, labour relations, environment, consumer protection and the fight against corruption. The countries that adhere to the Guidelines provide 85 per cent of international investment flows and are home to 97 of the world’s top 100 multinational enterprises. In order to facilitate the implementation of the Guidelines, all adhering governments have set up National Contact Points as a forum for discussion and mediation.

The latest annual review by adhering governments (available on www.oecd.org/daf/investment/guidelines) shows that in five years, the Guidelines have consolidated their position as one of the world’s principal instruments in the field.

Noteworthy recent developments include:

- **Increasing use of the Guidelines for mediation on concrete issues of business ethics**: 106 requests to provide such mediation have been received from trade unions, NGOs and businesses. On 72 occasions National Contact Points have taken action on the issues raised as falling within the scope of the Guidelines.

- **This action has contributed to a resolution of issues and to better understanding between the parties concerned**. Some cases resulted in companies taking remedial measures: for example, in a case relating to resettlement of populations near a Zambian copper mine, the company decided not to engage in forced evictions. Others helped to reduce tensions between the parties to a dispute: for example, workers at a tyre plant in central Mexico were able to organise themselves with the support of the company to take over ownership of a plant to avoid its closure.
• Increasing use of the Guidelines by governments for interaction with business on corporate responsibility issues: For example, 22 of the 39 adhering governments make use of the Guidelines in the context of export credits or investment guarantees or in trade and investment promotion campaigns. A number of countries are using their embassy networks to promote and implement the Guidelines.

• Increased interest on the part of developing countries: The Guidelines are an integral part of OECD cooperation with non-members that promotes an investment climate that helps them reap the full benefits of international investment and provides inputs into Guidelines follow up. Recently such dialogues have taken place in New Delhi, Djakarta, Addis Ababa, Entebbe and Xiamen (China). On these occasions, China, India, South Africa and others expressed interest in further cooperation with the OECD on corporate responsibility and the Guidelines.

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