



**DIRECTORATE FOR FINANCIAL, FISCAL AND ENTERPRISE AFFAIRS**

**The OECD Guidelines for Multinational Enterprises and  
Global Instruments for Corporate Responsibility**

**BACKGROUND AND ISSUES PAPER**

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*This paper will serve as the background and issues paper for the OECD Roundtable on Global Instruments to be held on 19 June 2001.*

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# **The OECD Guidelines for Multinational Enterprises and Global Instruments for Corporate Responsibility**

## **BACKGROUND AND ISSUES PAPER**

### **Introduction**

1. The OECD Guidelines are recommendations by governments to multinational enterprises (MNEs) operating in or from the 33 countries that adhere to the Guidelines. The Guidelines help ensure that MNEs act in harmony with the policies of countries in which they operate and with societal expectations. They are the only comprehensive, multilaterally endorsed code of conduct for MNEs. They establish non-binding principles and standards covering a broad range of issues in business ethics. The basic premise of the Guidelines is that internationally agreed principles can help to prevent misunderstandings and build an atmosphere of confidence and predictability among business, labour, governments and society as a whole.

2. The recent Review of the Guidelines, concluded in June 2000, brought significant change to the contents of the Guidelines' recommendations and sought to enhance their distinctive implementation procedures. At the time of the Review, many participants noted the intense international activity in the area of corporate responsibility. Among other initiatives, a number of global instruments for corporate responsibility had been issued or were in preparation. Here, the term "global instrument" refers to a code or standard that provides guidance to international business in relation to non-financial performance and practices. The OECD Guidelines for Multinational Enterprises are one such instrument.

3. Companies use these instruments as guidance understand their responsibilities and to formulate public commitments -- often called codes of conduct -- related to various aspects of business conduct. An OECD study of codes of conduct and related management and reporting systems (OECD 2001b) notes that most large multinational enterprises have issued such codes. However, it also notes, that while such practices are a global phenomenon, there is significant variation among companies in their commitments and management practices that cannot be easily explained by differences in their business environments. These findings suggest that now is a particularly promising time for global instruments to have a major impact on international business behaviour and to play a prominent role in the public debate about the respective roles of companies, governments and individuals in ensuring that a broad cross section of the world's people can enjoy improved economic, social and environmental welfare.

4. This paper examines the similarities and differences between the Guidelines and six other global instruments. It aims to provide background for consultations by the National Contact Points (NCPs) with businesses, trade unions and NGOs. (Created by each of the adhering governments, NCPs are responsible for promoting observance of the Guidelines among "their" multinational enterprises). In organising a Roundtable in connection with the First Annual Meeting of the National Contact Points (NCPs), the NCPs hope to gather ideas on how the contribution of the OECD Guidelines can be enhanced. In particular, the NCPs would like to explore with Roundtable participants how potential synergies with other influential global instruments can be developed and functional overlaps avoided.

## **The Guidelines and other Major Instruments for Corporate Responsibility**

5. In addition to the OECD Guidelines, the following instruments are reviewed: the Caux Principles for Business, the Global Reporting Initiative, Global Sullivan Principles, the Principles for Global Corporate Responsibility: Benchmarks, Social Accountability 8000 (SA 8000) and the United Nations Global Compact. The review is based on material developed by Business for Social Responsibility (BSR), a business association that advises companies on the design of their corporate responsibility programmes. BSR selected these instruments because they are among the prominent initiatives shaping individual company initiatives. The discussion of this material is divided into three sections -- sponsors of the instruments, content and follow-up.

6. Box 1 describes the sponsors and the aims of these initiatives. The Annex Table reviews the content of the initiatives using eight general issue areas defined by BSR.

### *Sponsors*

7. The global instruments reviewed here have different sponsors -- inter-governmental organisations, individuals, religious groups and groups of business executives. The question of sponsors - whose ideas and principles the instrument represents, how broad the consensus underpinning the instrument is -- is a key consideration in trying to understand the channels through which these instruments might influence business conduct. In this sense, the group of instruments considered here and in the BSR report is diverse -- one is a consensus of top executives from very large multinational companies, while another expresses the shared views of numerous religious NGOs from English-speaking companies. The impetus for others comes from individuals with significant personal credibility in the field of corporate responsibility, while others represent the views of alliances of businesses, trade unions and NGOs.

8. The OECD Guidelines are unusual in that they are rooted in long-standing inter-governmental co-operation and are closely linked to a broader framework for international investment, the OECD Declaration on International Investment. The Guidelines are an expression of the shared expectations of the adhering governments. These governments agree to promote them among "their" multinational enterprises and sign a binding Council Decision that requires them to set up National Contact Points (see below) and to participate in other facets of Guidelines implementation. Another instrument sponsored by an international organisation is the United Nations Global Compact. The Global Compact was initiated by United Nations Secretary General, Kofi Annan, who provided much of its original impetus and stature. Various UN Secretariats are now involved in promoting the Compact and many companies have endorsed it (see below under "Follow up"). The United Nations membership does not adhere to the Compact nor did it participate in negotiations to develop the Compact's nine principles.

9. The Caux Principles for Business were issued by a group of senior executives from major multinational enterprises with headquarters in Europe, Japan and North America. The group aims to provide a foundation for action and dialogue among business leaders. Another prominent instrument, the "Global Corporate Responsibility: Benchmarks," ("Benchmarks") is sponsored by a non-denominational alliance of religious groups based in the United States, Canada and the United Kingdom. The Global Sullivan Principles were developed by the Reverend Leon Sullivan, a well-known anti-apartheid activist. The instrument is underpinned by his contacts and credibility with the international business community.

10. The objectives of the sponsors of the Global Reporting Initiative (GRI) and Social Accountability 8000 (SA 8000) are quite different than those of the other five instruments. Both seek to help companies go beyond the "commitment phase" of corporate responsibility initiatives into the monitoring and reporting phases. By providing international standards for external verification of management practices and for

non-financial performance reporting, SA 8000 and the GRI hope to enhance the credibility of individual company initiatives. SA 8000 -- developed by an alliance of trade unions, NGOs and businesses -- is an auditable standard designed to promote external verification of performance in relation to labour relations and human rights commitments in factories. The GRI -- which is being developed by a broad alliance of diverse organisations and partially funded by the United Nations Environment Programme -- is a reporting standard designed for voluntary use by organisations reporting on the economic, environmental and social dimensions of their activities, products and services.

### *Content*

11. The content of all six instruments reflects the influence of the framework of international declarations and conventions that has been built up gradually over several decades. Some of the key elements of this framework are described in Box 2. This section compares the content and styles of the recommendations or principles contained in the seven global instruments. It refers to the eight broad issue areas addressed in the BSR report -- accountability, business conduct, community involvement, corporate governance, environment, human rights, consumer protection, labour relations. As shown in the Annex, the BSR report then provides detail on treatment of these eight broad areas in the form of 54 specific issues. The general impression left by the Annex Table and by the BSR report is that there are major differences among the instruments in terms of coverage, concepts and style. Among the eight broad issue areas, only two -- transparency and human rights -- are covered by all the global instruments reviewed here. The OECD Guidelines address a wide range of issues<sup>1</sup>. Like three other instruments (Caux Principles, GRI and "Benchmarks"), the Guidelines deal with all eight of the major issues in business ethics. SA 8000, dealing with transparency, human rights and labour rights is the most focused of the instruments reviewed here. The UN Global Compact addresses 6 of the 8 broad issue areas.

12. The treatment of these issue areas in the Guidelines tends to be relatively detailed. The Annex Table shows that the OECD Guidelines are the second most detailed of the instruments studied. The Guidelines cover 38 of the 54 more specific corporate responsibility issues identified in the BSR report. The only instrument covering more issues is the "Principles for Global Corporate Responsibility: Benchmarks" ("Benchmarks"), which covers 44 of the issues. In contrast, the Global Compact and the Global Sullivan Principles set forth broad behavioural principles, without providing detailed recommendations for companies (neither instrument covers more than 20 of the 54 issues). The idea behind these two initiatives is to establish general principles and then to use the instruments' endorsement processes as a way of engaging multinational companies and promoting a process of continuous improvement in their conduct (see below under "Follow up").

13. Compared with the treatment they receive in the other instruments, environment and consumer protection are given particularly detailed attention in the Guidelines (all the major issues identified by BSR are addressed). The Guidelines treatment of general business conduct is also quite detailed compared with that of other instruments. In contrast, the Guidelines' treatment of human rights issues provides relatively few details and does not deal with such high profile issues as indigenous peoples' rights and security forces. Overall, however, the general impression of the content of the Guidelines' recommendations is that they are both comprehensive and detailed.

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1 . Note that the OECD Guidelines cover some issues that are not included in the BSR table (for example, the recommendations made in the "taxation" chapter of the Guidelines).

### *Follow-up*

14. Some of the most striking differences between these instruments lie in their follow-up or implementation procedures. Two of the instruments -- the Caux Principles and the Global Corporate Responsibility Benchmarks -- have no formal follow-up or promotional procedures. A quote from the Benchmarks text illustrates the role foreseen for these texts by their sponsors: "Benchmarks is designed to be used as an accountability tool through which concerned actors may evaluate companies, their codes of conduct and their implementation." Thus, these two initiatives seek to influence thinking about global corporate responsibility, but do not attempt to create other links between companies and sponsors.

15. The implementation procedures for the OECD Guidelines are very much focused at activities within individual adhering countries and their effectiveness depends mainly on that of the 33 "National Contact Points". Each adhering country's National Contact Point -- often a government office -- is responsible for encouraging observance of the Guidelines in its national context and for ensuring that the Guidelines are well known and understood by the national business community and by other interested parties. The National Contact Point (NCP) gathers information on national experiences with the Guidelines, handles enquiries, discusses matters related to the Guidelines and assists in solving problems that may arise in this connection. When issues arise concerning implementation of the Guidelines in relation to specific instances of business conduct, the NCP is expected to help resolve them. Any person or organisation may approach a National Contact Point to enquire about a matter related to the Guidelines.

16. NCPs are expected to function in a visible, accessible, transparent and accountable manner. The Review of the Guidelines completed in June 2000 enhanced accountability by calling for annual meetings and reports on NCP activity. The reports will serve as a basis for exchanges of view among the adhering governments on the functioning of the NCPs. The Committee on International Investment and Multinational Enterprise is the OECD body responsible for overseeing the functioning of the Guidelines and it is expected to take steps to enhance their effectiveness.

17. Business and trade unions -- or their OECD representatives, BIAC and TUAC -- as well as other interested parties (including non-governmental organisations) may request consultations with the National Contact Points on issues related to the Guidelines. BIAC and TUAC can also raise such issues directly with the OECD body having oversight responsibility for the Guidelines, the Committee on International Investment and Multinational Enterprise (CIME). In addition, they are responsible for informing their member federations about developments in the Guidelines and for seeking their members' inputs in Guidelines implementation procedures. They may also participate in promotional activities and consultations organised by the NCPs or by the CIME on a national, regional or multilateral basis.

18. The follow up on the UN Global Compact involves an effort to enlist the support of the world business community in order to "safeguard sustainable growth within the context of globalisation by promoting a core set of universal values which are fundamental to meeting the socio-economic needs of the world's people" (quotes in this paragraph are from United Nations promotional material). Businesses are asked to contribute to the effectiveness of the Global Compact by:

- Taking a lead in corporate citizenship: "The Global Compact offers business people the opportunity to demonstrate their leadership role as world citizens."
- Embracing and enacting the principles of the Global Compact: "Primary responsibility for upholding standards for the environment, human rights and labour lies with governments. But corporations and business leaders can help by endorsing and championing the nine principles ... and making sure they are carried out in corporate practice."

- Working with UN Agencies: “As a neutral broker, the UN can play a key role in promoting change, fostering practical co-operation and acting as an advocate. The International Labour Office, the Office of the High Commission for Human Rights and the UN Environment Programme stand ready to work directly with corporations to aid in the implementation of the Global Compact.”
- Advocating a strong UN: “Today, the UN is part of the solution. Significantly enhancing the authority and resource base of the UN and especially of those agencies that are charged with addressing environmental, human rights and labour issues is the most sensible way forward.”

19. The Global Sullivan Principles and the UN Global Compact both seek the endorsement of companies and have been quite successful in securing them. The BSR report shows that both instruments have attracted about 50 corporate sponsors (as of the latter half of 2000). Under the Global Sullivan Principles, endorsing companies pledge to abide by them and to integrate them into their operations. Continuing support of the Principles requires that companies provide an annual letter to Reverend Sullivan restating the company’s commitment to the Principles and outlining progress to date. The Reverend Sullivan decides which companies qualify to be on the register.

20. Under the UN Global Compact, endorsing companies pledge to publicly advocate the Compact in their mission statements, annual reports and other public statements and to post, at least once a year, specific examples of progress they have made or lessons they have learned in putting the principles into practice. Companies also pledge to work with the UN in partnership projects, either at the policy or at the operational levels. Under both the Global Compact and the Global Sullivan Principles, the annual renewal of corporate commitment and endorsement is an attempt to get firms to “ratchet up” their performance in the areas covered by the two sets of principles. Thus, both of these initiatives seek to create a framework that will encourage firms to make continuous improvements in their non-financial performance, as set forth in the two sets of principles.

21. Some of the difficulties of seeking public endorsement from companies should be noted. These stem from the continuing large disagreements among various actors about what constitutes appropriate conduct for international business. Because of these wide divergences of view, endorsements by companies may be associated with public recriminations from trade unions and NGOs. For example, significant dissent and acrimony accompanied corporate endorsements of the UN Global Compact. Some NGOs claimed that a number of the endorsing companies had poor records in the areas covered by the Compact. These accusations tended to deflect public debate away from the intended focus on continuous improvement in international business conduct and towards recriminations for alleged misbehaviour. Other NGOs are concerned that the United Nations, by associating itself with corporate actors that allegedly have poor records in human rights, labour relations and environment, will compromise its own reputation and effectiveness<sup>2</sup>.

22. As noted, the other two instruments -- the Global Reporting Initiative and SA 8000 -- seek to help companies with the management and reporting phases of their corporate responsibility initiatives. In this sense they clearly have strong synergies with all of the other initiatives that focus on the commitment phase. Companies wishing to be certified for SA 8000 must be monitored and assessed by accredited external certification agencies or organisations. These certifications have to be periodically renewed. The BSR report lists 66 companies (including 50 companies from developing countries) as having been certified for SA 8000 (as of mid-2000). The GRI does not assess or make judgements on the degree to

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2 See, for example, [www.corpwatch.org/trace/globalization/un/unfacts.html/](http://www.corpwatch.org/trace/globalization/un/unfacts.html/) reference to version available on 26 March 2001.

which companies conform to its guidelines, but 21 major multinational companies with headquarters in Europe, North America and Japan participated in the pilot test of the standard that was completed last year (BSR 2000).

### **Maximising the Contribution of the Guidelines -- Issues for Discussion**

23. When the review of the Guidelines began in late 1999, many participants noted that the Guidelines are complementary with other initiatives being undertaken by businesses, business associations, NGOs, governments and inter-governmental organisations. It was agreed that the governments undertaking the Review should be aware of these other initiatives and should seek to orient the Revisions so as to maximise the Guidelines' contribution. By adding the weight of adhering governments' views to the general public debate on many issues in international business ethics, the Guidelines process has already succeeded in raising the legitimacy and profile of corporate attempts to address these issues. The Guidelines implementation procedures have also been enhanced, especially in relation to the functioning of the National Contact Points. They remain unique.

24. However, the officials seeking to maximise the contribution of the Guidelines now must address a number of other issues, especially in relation to the orientation of the follow-up procedures. In sponsoring this Roundtable, the National Contact Points are seeking advice on this matter from the business community, from trade unions and NGOs and from other international organisations. The following sections propose several issues for discussion of strategies for maximising the contribution of the Guidelines.

#### *Further work on exploring the implications of recommendations*

25. The Annex Table suggests that the various global instruments take rather different approaches to commitment. Some establish general principles (e.g. UN Global Compact) while others make quite specific recommendations (e.g. OECD Guidelines and "Benchmarks"). Some concentrate on a few issue areas (e.g. SA 8000), while others cover most or all issue areas (e.g. OECD Guidelines). The Guidelines cover most areas of international business ethics, but the detail of the recommendations varies by issue area. The National Contact Points seek the advice of Roundtable participants on whether any further exploration of some business ethics issues would be useful within the context of Guidelines follow up institutions. Of course, this could not take the form of changing or adding to the recommendations themselves, since there is no mandate for a review. Rather, it could consist of a "fact finding" exercise (exploring what companies are doing in particular areas) or exploration of the options that are available to companies in trying to attain particular corporate responsibility objectives (for example, how can companies control environmental outcomes in their supply chains and what are the costs of benefits of these options?).

*Is there a need for further exploration of particular issue areas? Are there any areas in which the Guidelines implementation processes (involving annual meetings of National Contact Points as well as CIME oversight) might play a useful role?*

*Would it be useful to involve other bodies within the Organisation so as to draw on other initiatives and on larger pools of contacts and expertise (e.g. the Guidelines for Consumer Protection in the Context of Electronic Commerce, the Environment Directorate, the Working Party on Bribery)?*

*Structuring relationships with companies and other interesting parties*

26. Two of the comprehensive instruments reviewed here -- the Global Sullivan and the UN Global Compact -- solicit public endorsements by individual companies. Much of the practical involvement of the business community with these two instruments is focused on qualifying for and maintaining endorsement [see BSR (2000)].

27. The Procedural Guidance of the Revised Guidelines calls on the National Contact Points “to further the effectiveness of the Guidelines” and to operate “in accordance with the core criteria of visibility, accessibility, accountability and transparency”. The National Contact Points seek the advice of Roundtable Participants on how to go about achieving this basic goal. In particular, they would like to be advised on how, aside from their consideration of “specific instances”, they might contribute to ongoing attempts by companies and other actors to promote appropriate standards of business conduct.

*Are there any pitfalls associated with existence of a wide array of global codes? How do stakeholders view this situation whereby they are confronted with a menu of instruments to choose from -- do they find this helpful or confusing? Is there a need for international organisations to work more closely together in promoting their corporate responsibility instruments?*

*The UN Global Compact and the Global Sullivan Principles both solicit company endorsements and seek to create working relationships with endorsing companies. In the past, the follow-up institutions for the Guidelines have not actively sought out endorsements from individual companies, but have worked closely with BIAC and with some of the federations of business that have endorsed the Guidelines. Is this still a reasonable way to proceed?*

*Would an annual publication (probably accompanying the annual report of National Contact Points) that notes major public, private and inter-governmental initiatives contribute to progress in the field of corporate responsibility? Would this provide a context in which positive contributions, especially by the business community could be highlighted?*

*The analysis above notes that the Global Reporting Initiative and SA 8000 have clear synergies with the other global instruments because they seek to increase the credibility of management and reporting initiatives in various aspects of corporate responsibility. How can their synergies with the Guidelines be further enhanced?*



**Box 1. Global Instruments for Corporate Responsibility**  
**(material adapted from Business for Social Responsibility (2000))**

**Caux Principles for Business:** (issued in 1994) The Caux Principles are an aspirational set of recommendations covering many areas of corporate behaviour. They “seek to express a world-wide standard for ethical and responsible corporate behaviour and are offered as a foundation for dialogue and action by business and leaders world-wide.” Issued in 1994, the Principles are sponsored by the Caux Roundtable (comprised of senior business leaders from Europe, Japan and North America). No formal mechanism for corporate commitment to these principles exists.

**Global Reporting Initiative (GRI):** (issued in 1999, but development is ongoing) The GRI is an international reporting standard for voluntary use by organisations reporting on the economic, environmental and social dimensions of their activities, products and services. Using input from reporters and report users, the GRI has sought to develop a list of specific indicators for reporting on social, environmental and economic performance. Note that the GRI, since it is a non-financial reporting framework, does not provide recommendations on business conduct, but the framework is necessarily underpinned by norms for business conduct. The GRI is led by the Coalition of Environmentally Responsible Economies (CERES) and includes NGOs, corporations, consultancies, accounting firms, business associations, academics and others. UNEP provided some financing. The GRI does not assess companies’ conformity with its reporting guidelines.

**Global Sullivan Principles:** (issued in 1999) The Global Sullivan Principles are an aspirational standard developed with the input of several multinational corporations. The principles include eight broad directives on labour, business ethics and environmental practices of multinational companies and their business partners. Issued in 1999, the Principles were written by the Reverend Leon Sullivan, whose original Sullivan Principles provided guidelines for companies doing business in South Africa during the period of apartheid. Companies endorse the Principles by publicly pledging to integrate them into their operations. Continuing support requires that companies provide an annual letter to Reverend Sullivan restating the company’s commitment and outlining progress to date.

**OECD Guidelines for Multinational Enterprises:** (revised in 2000) The Guidelines are recommendations covering nine areas of business conduct addressed by governments to multinational enterprises. While observance of the recommendations by enterprises is purely voluntary, adhering governments sign a binding decision to participate in Guidelines implementation and to promote their observance by enterprises operating in or from their territory.

**Principles for Global Corporate Responsibility - Benchmarks:** (revised in 1998) The “Benchmarks” are designed to provide a “model framework” through which stakeholders can assess corporate codes of conduct, policies and practices related to corporate social responsibility expectations. The principles were revised in 1998 to include the input of a range of human rights, environmental and labour groups, religious organisations and companies. The standard contains nearly 60 principles the sponsors consider “fundamental to a responsible company’s actions”. Finally the standard includes “benchmarks” to be used by external parties to assess the company’s performance related to the recommended policies and practices. Benchmarks’ sponsors (several religious NGOs based in the United Kingdom and North America) do not seek endorsements from companies.

**Social Accountability 8000 (SA 8000):** (issued in 1998) SA 8000 is a voluntary, factory based monitoring and certification standard for assessing labour conditions in global manufacturing operations. SA 8000 is modelled after the quality and environmental auditing processes developed through the International Standards Organisation in its ISO 9000 and ISO 14000 standards. SA 8000 relies on certified monitors to verify factory compliance with the standard. The sponsor of the standard, Social Accountability International (an NGO), is currently reviewing the standard and hopes to issue a revised version in Spring 2001.

**United Nations Global Compact:** (issued in 1999) The UN Global Compact was announced at the World Economic Forum in Davos, Switzerland in January 1999 and formally launched in September 2000. UN Secretary General Kofi Annan called on world business leaders to “embrace and enact” a set of nine principles in their individual corporate practices and by supporting complementary public policy initiatives. The standard includes specific practices that endorsing companies would commit to enact. Endorsements from companies are sought under the Global Compact (see discussion in “Follow up” section of main text).

## **Box 2: The Normative Framework -- International Declarations and Treaties**

*The Universal Declaration of Human Rights* states that “every individual and organ of society” has the responsibility to strive “to promote respect for these rights and freedoms” and “by progressive measures, national and international, to secure their universal and effective recognition and observance”. As important “organs” of society, businesses have a responsibility to promote world-wide respect of human rights. Human rights concerns of particular interest for businesses and their employees include core labour standards, management of security forces, and indigenous peoples’ rights.

The *ILO Conventions* establish norms covering all aspects of working conditions and industrial relations. Some of the most important cover core labour standards (that is, basic human rights in the workplace). These include freedom of association (no. 87), right to organise and to collective bargaining (no. 98), minimum age (no. 138), freedom from discrimination in employment and occupation (no. 111) and freedom from forced labour (No.s 29 and 105). ILO Conventions are binding on all countries that have ratified them, although not all countries have ratified all treaties and not all countries that have ratified them succeed in enforcing them. The co-operative approach of the ILO, which focuses on providing technical assistance to enable countries to implement their responsibilities, receives strong support from ILO membership, especially from developing countries.

The *ILO Declaration on Fundamental Principles and Rights at Work* is based on the core labour standards outlined in the ILO Conventions. The Declaration is not binding but applies to all ILO states by virtue of their membership in the ILO. It contains a mechanism for annual review of the efforts made by member states that have not yet ratified the core labour standards Conventions. Its ultimate aim is to provide a basis for ILO assistance to member states in establishing these rights in law and in practice to allow for ratification of the Conventions. The Declaration cannot be invoked as the justification for applying economic sanctions against a country. Rather, the ILO can use the Declaration alongside offering technical assistance and co-operation, in order to help states to provide these rights. The approach is one of building countries’ capacity to have well functioning labour markets. The Declaration also reinforces the application of core labour standards in private voluntary initiatives.

*The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy* is a global instrument designed to provide guidelines to governments, employers and workers in areas of employment, training, conditions of work and industrial relations. All core labour standards are covered in the Declaration. Although it is a non-binding instrument, its implementation is nevertheless the object of regular reviews and there is a procedure for examining disagreements concerning its application by means of an interpretation of its provisions.

The 27 principles of *the Rio Declaration* define the rights and responsibilities of nation as they pursue human development and well-being. Negotiated in 1992, the Declaration is based on the notion of sustainable development and defines a number of basic principles (e.g. precautionary principle, polluter pays principle, the right to development). The meetings at Rio de Janeiro also produced other significant documents. Agenda 21 provides guidance for governments, business and individuals on how to contribute to making development socially, economically and environmentally sustainable. The UN Framework Convention on Climate Change, the Convention on Biodiversity and a statement of principle on forest management were also signed by many governments during the Rio meetings.

## References

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- United States Council for International Business (2000) “Corporate Codes of Conduct: Overview and Summary of Initiatives”, unpublished mimeo, September.

*Annex*

**Tabular information on Global Instruments for Corporate Responsibility**

*Information prepared by Business for Social Responsibility (BSR)  
November 2000*

Annex Table. A Brief Summary of Issues Referenced

Accountability  
Business Conduct  
Community involvement  
Corporate governance  
Environment  
Human rights  
Marketplace/consumers  
Workplace/employees

Annex Table. A Brief Summary of Issues Referenced

<b>CORPORATE SOCIAL RESPONSIBILITY ISSUES REFERENCED<sup>3 4</sup></b>	<b>Caux Principles for Business</b>	<b>Global Reporting Initiative<sup>5</sup></b>	<b>Global Sullivan Principles</b>	<b>OECD Guidelines for Multinational Enterprises</b>	<b>Principles for Global Corporate Responsibility: Benchmarks</b>	<b>Social Accountability 8000 (SA8000)</b>	<b>UN Global Compact</b>
<b>ACCOUNTABILITY</b>							
Transparency	✓	✓	✓	✓	✓	✓	✓
Stakeholders/Stakeholder engagement	✓	✓		✓	✓		
Reporting							
Performance related to standard		✓	✓	✓	✓	✓	✓
Environmental performance		✓		✓	✓		
Human rights issues		✓				✓	
Monitoring/Verification							
Performance related to standard		✓				✓	
Environmental performance		✓		✓	✓		
Human rights issues		✓			✓	✓	✓
Standard applies to:							
Company	✓	✓	✓	✓	✓	✓	✓
Business partners	✓		✓	✓	✓	✓	✓

3. BSR did not approach the comparison of the standards with a pre-established list of topics. Rather, the list of issues included for comparison was developed in an iterative fashion, stemming from both the commonalities and differences in issues referenced by the selected standards. The main topic headings (e.g., Accountability, business Conduct) are ordered alphabetically. With the exception of the first section on Accountability, within each main topic area, "broad/general reference" is always listed first, with the remaining issues listed in descending order based on the number of standards that reference the particular issue. Where multiple issues are referenced by the same number of standards, the issues are listed in alphabetical order.
4. A check-mark indicates only whether or not a particular issue is referenced in a standard. There is considerable variation in the specific performance recommendations made by the different standards on a particular issue. For detailed information on the recommendations expressed in the different standards, please see the accompanying chart.
5. The Global Reporting Initiative (GRI) differs from the other standards compared in this chart because it is a reporting standard with recommendations on what indicators companies should use in reporting social, environmental and economic performance. It does not include recommendations for specific standards of performance, policies or practices. Social Accountability 8000 contains auditable code of practice and is accompanied by "accreditation" processes for auditors.

Annex Table (cont...) A Brief Summary of Issues Referenced

CSR ISSUES REFERENCED	Caux Principles for Business	Global Reporting Initiative	Global Sullivan Principles	OECD Guidelines for Multinational Enterprises	Principles for Global Corporate Responsibility: Benchmarks	Social Accountability 8000 (SA8000)	UN Global Compact
<b>BUSINESS CONDUCT</b>							
General CSR	✓	✓		✓	✓		
Compliance with the law	✓		✓	✓	✓	✓	
Competitive conduct (e.g., price fixing, collusion, anti-trust)	✓		✓	✓	✓		
Corruption and bribery	✓		✓	✓	✓		
Political activities				✓			✓
Proprietary information/ Intellectual property rights	✓		✓	✓			
Whistle-blowers				✓	✓		
Conflicts of interest					✓		
<b>COMMUNITY INVOLVEMENT</b>							
Broad/ General reference	✓		✓		✓		
Community economic development	✓			✓	✓		✓
Employment of local and/or under-utilized workers	✓		✓	✓	✓		
Philanthropy	✓	✓			✓		
<b>CORPORATE GOVERNANCE</b>							
Broad/ General reference	✓	✓		✓	✓		
Rights of shareholders	✓				✓		

Annex Table (cont...) A Brief Summary of Issues Referenced

CSR ISSUES REFERENCED	Caux Principles for Business	Global Reporting Initiative	Global Sullivan Principles	OECD Guidelines for Multinational Enterprises	Principles for Global Corporate Responsibility: Benchmarks	Social Accountability 8000 (SA8000)	UN Global Compact
<b>ENVIRONMENT</b>							
Broad/ General reference	✓	✓	✓	✓	✓		✓
Precautionary principle <sup>6</sup>		✓		✓	✓		
Product life cycle		✓		✓	✓		
Stakeholder engagement on environmental issues				✓	✓		✓
Appoint designated person or people with responsibility for environment/ Provide employee training				✓	✓		
Establish environmental management system/ Environmental code of conduct				✓	✓		
Public policy on environmental issues				✓			
<b>HUMAN RIGHTS</b>							
Broad/General reference	✓	✓	✓	✓	✓	✓	✓
Health and safety	✓	✓	✓	✓	✓	✓	✓
Child labor		✓	✓	✓	✓	✓	✓
Forced labor		✓	✓	✓	✓	✓	✓
Freedom of association/ Collective bargaining		✓	✓	✓	✓	✓	✓
Wages and benefits (including "living wage")	✓	✓	✓		✓	✓	✓

6. For the purposes of this report, the 'precautionary principle' refers to the notion that the burden of proof for determining the environmental consequences of an action lies with company to definitively prove environmental safety rather than environmental harm.

Annex Table (cont...) A Brief Summary of Issues Referenced

CSR ISSUES REFERENCED	Caux Principles for Business	Global Reporting Initiative	Global Sullivan Principles	OECD Guidelines for Multinational Enterprises	Principles for Global Corporate Responsibility: Benchmarks	Social Accountability 8000 (SA8000)	UN Global Compact
<b>HUMAN RIGHTS cont...</b>							
Indigenous peoples' rights	✓	✓			✓		
Appoint designated person or people with responsibility for human rights					✓	✓	
Discipline			✓			✓	
Use of security forces		✓					✓
Working hours/Overtime					✓	✓	
<b>MARKETPLACE/CONSUMERS</b>							
Broad/General reference	✓	✓		✓	✓		
Marketing/Advertising	✓	✓		✓	✓		
Product quality and/or safety	✓			✓	✓		
Consumer privacy				✓			
Recalls				✓			
<b>WORKPLACE/EMPLOYEES</b>							
Broad/General reference	✓			✓	✓	✓	
Non-discrimination	✓	✓	✓	✓	✓	✓	✓
Training	✓	✓		✓			
Downsizing/Layoffs	✓			✓	✓		
Harassment/Abuse					✓	✓	
Child/Elder care					✓		
Maternity/Paternity leave					✓		