

ANNUAL OECD ROUNDTABLE ON CORPORATE RESPONSIBILITY

THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES AND THE FINANCIAL SECTOR

AGENDA

***Monday, 18 June 2007; 10h00-18h00
Salle des Nations, Tour Europe
33, Place des Corolles
92049 Paris La Défense***

Every year the OECD holds a Roundtable on Corporate Responsibility in conjunction with the annual meeting of the National Contact Points (NCP). The purpose of this annual encounter is to assist NCPs in performing their role of promoting and implementing the OECD Guidelines for Multinational Enterprises taking into account emerging issues and relevant policy developments.

The OECD Guidelines are detailed recommendations for business conduct which multinational enterprises¹ from the 39 adherent countries are invited to observe in ten major policy areas including human rights, supply chain management, labour relations, environment, anti-corruption, taxation and consumer welfare. The Guidelines also have a unique implementation mechanism – the “specific instances procedures” – where National Contact Points are committed to work together to reduce tensions and building trust between international business and host societies.

This year’s annual OECD Corporate Responsibility Roundtable will be devoted to a two-way dialogue between the financial community and the NCPs with the purpose of:

- (a) learning from practitioners about current trends in corporate responsibility practices and instruments in the financial sector and the challenges ahead; and
- (b) exchanging views with financial actors on the various ways in which the OECD Guidelines can best support their efforts to promote corporate responsibility.

1. The Preface of the OECD Guidelines for Multinational Enterprises states that the Guidelines “*aim to ensure that the operations of these enterprises are in harmony with government policies, to strengthen the basis of mutual confidence between enterprises and the societies in which they operate, to help confidence between enterprises and the societies in which they operate, to help improve the foreign investment climate and to enhance the contribution to sustainable development made by multinational enterprises.*”

Global financial assets are now estimated at around \$140 trillion, or three times world GDP. Global cross-border capital flows topped \$ 6 trillion in 2005, more than double their level in 2002. Eighty percent of capital flows are between the US, UK and euro area.²

With the spectacular growth of international finance and impact on economic activity, financial institutions (FIs) have witnessed a growing interest in their role as actors and promoters of responsible business conduct. Financial institutions have also begun to pay greater attention to extra-financial issues into their lending, investing or advisory operations. A number of initiatives, led by large banks and institutional investors and asset managers, have emerged to address environment, social and governance risks in the financial sector in a holistic and coherent manner. For example, over 50 financial institutions accounting for around 85 per cent of the world's cross-border project finance subscribe to the social and environmental guidelines of the Equator Principles.³ Some 170 institutional investors representing over \$8 trillion in assets have signed the United Nations Principles for Responsible Investment which commit signatory institutions to integrate environmental, social and governance issues into their investment policy-making and investment decisions across all asset classes and their entire portfolio.⁴

These new corporate responsibility tools share many of the same aspirational values and norms promoted by the OECD Guidelines – which applies to financial institutions as multinational enterprises. The Roundtable will take stock of these developments and discuss the synergies the OECD Guidelines for Multinational Enterprises and corporate responsibility initiatives in the financial sector.

The Roundtable is divided into five parts and end with closing remarks by the Chair. The discussions will be conducted under the Chatham House Rule⁵ and a summary of the proceedings consistent with this Rule will be published in the 2007 Annual Report on the OECD Guidelines for Multinational Enterprises. Participation is upon invitation only. For further information, contact Ms. Marie-France Houde [marie-france.houde@oecd.org, +33 1 45249126] or Mr. Sebastian Gerlach [sebastian.gerlach@oecd.org; +33 1 45248156]. Documentation and other conference details are available on the conference web page www.oecd.org/daf/investment/guidelines.

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² McKinsey Global Institute, [Mapping the Global Capital Markets: Third Annual Report](http://www.mckinsey.com/mgi/publications/third_annual_report/index.asp), January 2007 [www.mckinsey.com/mgi/publications/third_annual_report/index.asp].

³ The Equator Principles can be viewed at www.equator-principles.com.

⁴ The United Nations Principles for Responsible Investment can be viewed at www.unpri.org.

⁵ Chatham House defines the Chatham House Rule as follows: *When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.* www.riskythinking.com/glossary/chatham_house_rule.php.

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⁷ McKinsey Global Institute, *Mapping the Global Capital Markets: Third Annual Report*, January 2007 [www.mckinsey.com/mgi/publications/third_annual_report/index.asp].

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OECD ROUNDTABLE ON CORPORATE RESPONSIBILITY 2007	
09:45- 10:00	Registration and coffee
SESSION ONE - INTRODUCTION	
10:00 – 10:15	<p>Welcome address:</p> <ul style="list-style-type: none"> • Ambassador Elisabeth Dahlin, Head of Swedish Partnership of Global Responsibility, Swedish Ministry for Foreign Affairs
SESSION TWO - TAKING STOCK OF CORPORATE RESPONSIBILITY PRACTICES IN THE FINANCIAL SECTOR	
<p>What are the main trends in corporate responsibility practices among various categories of financial institutions? What are the main explanatory factors? Under which circumstances does the promotion of corporate responsibility make business sense? What are the main corporate responsibility dilemmas, challenges and opportunities facing financial institutions as lenders, investors or financial advisors?</p>	
10:15 – 11:30	<p>Moderator:</p> <ul style="list-style-type: none"> • Mr. Herman Mulder, Senior Advisor to UN Global Compact and WBCSD, former Senior Executive Vice President, ABN AMRO
10:15 – 10:30	<p>Presentation: <i>Overview of the corporate responsibility policies and practices of financial institution</i></p> <ul style="list-style-type: none"> • Mr. Stephen Hine, Head of International Relations, Ethical Investment research Institute (EIRIS)
10:30 – 11:00	<p>Respondents:</p> <ul style="list-style-type: none"> • Ms. Amy Davidsen, Head of Environment Affairs, JP Morgan: <i>a viewpoint from the banking community</i> • Mr. Matt Christensen, Executive Director, EUROSIF: <i>a viewpoint from institutional investors community</i> • Dr. Fouad Benseddik, Director, Vigeo Group: <i>a viewpoint from the rating community</i>
11:00 – 11:30	Discussion

SESSION THREE - FINANCIAL SECTOR INSTRUMENTS FOR RESPONSIBLE BUSINESS CONDUCT: A TOUR D’HORIZON	
<p>What are the main values and standards underlying existing financial sector instruments for responsible business conduct in the financial sector? To what extent their provisions converge, differ or complement each other? To what extent they are followed by the financial community? What mechanisms for monitoring and assessing implementation are in place?</p>	
<p>11:30 – 13:00</p> <p>11:30 – 11:45</p> <p>11:45 – 12:30</p> <p>12:30 – 13:00</p>	<p>Moderator:</p> <ul style="list-style-type: none"> • Mr. Leo Johnson, Co-Founder, Sustainable Finance <p>Presentation: <i>Key features of financial sector’s corporate responsibility instruments</i></p> <ul style="list-style-type: none"> • Mr. Rory Sullivan, Head of Responsible Investment, Insight Investment <p>Respondents:</p> <ul style="list-style-type: none"> • Mr. Paul Watchman, Le Boeuf, Lamb, Green & MacRae LLP: <i>The Equator Principles</i> • Ms. Valborg Lie, Senior Advisor, Asset Management Department, Norwegian Pension Fund, Ministry of Finance: <i>UN Principles for Responsible Investment</i> • Mr. Nicholas Vantreese, ORSE, Club Finance • Mr. David Barnden, Coordinator of Human Rights Programme, Bank Track <p>Discussion</p>
13:00 – 15:00	<p>Buffet lunch offered by the Swedish Delegation, Café des Nations, Tour Europe</p>
SESSION FOUR - THE SUPPORTING ROLE OF THE OECD GUIDELINES	
<p>Are the OECD Guidelines a useful tool for governments to communicate corporate responsibility expectations to the financial sector? What are the provisions in the text of the Guidelines most potentially relevant for financial institutions? How can the OECD Guidelines assist financial institutions in promoting responsible behaviour in their relations with business partners? What is the potential value to financial institutions of the non-adversarial approach to dispute resolution embodied in the “specific instances” facility offered by the National Contact Points (NCP)?</p>	
<p>15:00 – 16:30</p> <p>15:00 – 15:15</p> <p>15:15 – 16:00</p> <p>16:00 – 16:30</p>	<p>Moderator:</p> <ul style="list-style-type: none"> • Mr. Raj Thamotheram, Director, Responsible Investment, AXA Investment <p>Presentation: <i>The contribution of the OECD Guidelines in the financial sector: opportunities and challenges</i></p> <ul style="list-style-type: none"> • Mr. Lennart Killander-Larsson, Chair, Swedish National Contact Point <p>Respondents:</p> <ul style="list-style-type: none"> • Dr. Jan Atteslander, SwissHoldings, Federation of Industrial and Service Groups Switzerland and Co-Chair of BIAC Committee on International Investment and Multinational Enterprises • Ms. Serena Lillywhite, Manager, Ethical Business, Brotherhood of Saint Laurence and OECD Watch • Mr. David Pitt-Watson, Chair, Hermes Equity Ownership Services <p>Discussion</p>

SESSION FIVE - EXPLORING SYNERGIES BETWEEN THE OECD GUIDELINES AND FINANCIAL SECTOR INSTRUMENTS	
What are the main synergies between the OECD Guidelines and financial sector instruments? Would it be feasible and desirable to strengthen these synergies further? What avenues and initiatives could be envisaged for this purpose?	
16:30 – 17:30	<p>Moderator:</p> <ul style="list-style-type: none"> Ms. Teresa Fogelberg, Senior Director, Business Engagement and Stakeholder Relations, Global Reporting Initiative
16:30 – 16:40	<p>Presentation: <i>Articulating UN instruments and OECD Guidelines</i></p> <ul style="list-style-type: none"> Mr. Paul Clements-Hunt, Head of the Secretariat, UNEP Finance Initiative
16:40 – 17:10	<p>Respondents:</p> <ul style="list-style-type: none"> Mr. John Evans, Secretary General of TUAC: <i>Report on recent discussions on synergies among OECD instruments arranged under the OECD Labour Management Programme</i>
17:10 – 17:30	<p>Discussion</p>
17:30 – 17:45	<p>Closing Remarks:</p> <ul style="list-style-type: none"> Ambassador Elisabeth Dahlin, Head of Swedish Partnership of Global Responsibility, Swedish Ministry for Foreign Affairs

BACKGROUND DOCUMENTATION

- *Corporate Responsibility Practices of Financial Institutions in OECD and major Non-OECD Countries*, EIRIS study for OECD (2007)
- *Recent Trends and Regulatory Implications of Socially Responsible Funds*, External consultant study for OECD (2007)
- *Revised Council Recommendation on Common Approaches on Environment and Officially Supported Export Credits*, OECD (2007)
- *OECD Recommendation on Bribery and Officially Supported Export Credits*, OECD (2007)
- *Sustainable Development, Business Ethics and the Financial Sector*, OECD
- *The UN Principles for Responsible Investment and the OECD Guidelines for Multinational Enterprises: Complementarities and Distinctive Contributions*