



HM Government



**THE UK NATIONAL CONTACT POINT
FOR THE OECD GUIDELINES FOR
MULTINATIONAL ENTERPRISES**

OCTOBER 2009

What are the OECD Guidelines for Multinational Enterprises?

The OECD Guidelines for Multinational Enterprises provide voluntary principles and standards that governments adhering to the Guidelines encourage international businesses to comply with wherever they are trading and operating. The Guidelines set out a responsible approach to areas of business ethics, including:

- employment and industrial relations,
- human rights,
- environment,
- information disclosure,
- combating bribery,
- consumer interests,
- science and technology,
- competition, and
- Taxation.

Adhering governments also recommend that multinationals encourage their suppliers and sub-contractors to observe these standards.

Why has the UK Government signed up to them?

The UK Government is committed to promoting responsible business practice. Many multinational enterprises operating from the UK have a strong reputation for corporate responsibility, and it is the UK Government's objective to support these businesses and to help raise the standards of others.

The UK Government is fully committed to the promotion and implementation of the Guidelines and looks to UK multinational enterprises, as well as their associate and subsidiary companies and business partners overseas, to take the lead in adopting high corporate standards involving all aspects of the Guidelines. The Guidelines provide a framework to guide multinational enterprises on how to operate more responsibly and what areas to focus on in order to achieve these high standards, thereby strengthening the basis for mutual confidence between businesses and the societies in which they operate.

National Contact Points

Governments that have signed up to the Guidelines are required to establish National Contact Points (NCPs). The role of the NCPs is to promote the Guidelines to the business community, employee organisations, non-governmental organisations (NGOs) and other stakeholders. The UK NCP would be pleased to discuss the Guidelines with interested companies and organisations, and can provide speakers for suitable events.

In addition to promoting the Guidelines, it is the job of the NCPs to consider allegations that a multinational enterprise's behaviour is inconsistent with the Guidelines. Where the NCP takes on a case, it will seek to mediate an agreement between the parties, and, where this is not possible, it will examine the allegations in detail and will make a determination of whether the multinational enterprise has acted inconsistently with the Guidelines.

In the UK, the NCP is staffed by officials from the Department for Business, Innovation and Skills (BIS). Since 2007, a Steering Board has been established to monitor the work of the UK NCP and provide it with strategic guidance. The Steering Board meets regularly and is composed of representatives of relevant Government Departments and four external members nominated by the Trades Union

Congress, the Confederation of British Industry, the All Party Parliamentary Group on the Great Lakes Region of Africa, and the NGO community.

The UK NCP has also worked with Foreign and Commonwealth Office (FCO) to provide guidance to British Embassy staff overseas on the OECD Guidelines so that they can assist UK companies operating overseas. The UK NCP will be a lead representative of the UK Government in forthcoming negotiations to update the OECD Guidelines.

How can a complaint be made against a multinational enterprise?

A complaint should be made to the NCP of the country in which the breaches of the Guidelines are alleged to have taken place. If the host country is not a signatory to the Guidelines and does not have an NCP but the complaint involves the operations of a UK registered multinational enterprise or its subsidiaries, the complaint can be filed with the UK NCP. A full list of the countries which are signatories to the Guidelines can be found on both the UK NCP and OECD websites (see links below).

In raising a complaint, the complainant should provide the UK NCP with the following information in order for the UK NCP to determine whether the complaint

falls within one or more of the Guidelines, and whether the issue raised is material and substantiated:

- its identity and its interest in the matter;
- the name of the multinational enterprise;
- which Guidelines the multinational enterprise is considered to have breached;
- the place in which the alleged breaches of the Guidelines have taken place;
- a description of the activity in question with any supporting evidence.

This information will help the UK NCP determine whether to accept the complaint for further consideration. Detailed guidance on the complaints procedures is available on the UK NCP website.

How does the UK NCP deal with alleged breaches of the Guidelines?

The UK NCP complaint process is broadly divided into the following key stages:

- 1 **Initial Assessment** – This consists of a desk based analysis of the complaint, the multinational enterprise's response and any additional information provided by the parties. The UK NCP will use this information to decide whether further consideration of a complaint is warranted;

2 **Conciliation/mediation/examination**

– If a complaint is accepted, the UK NCP will offer conciliation/mediation to both parties with the aim of reaching a settlement agreeable to both. Should conciliation/mediation fail to achieve a resolution or should the parties decline the offer then the UK NCP will examine the complaint in order to assess whether it is justified;

3 **Final Statement** – If a mediated settlement has been reached, the UK NCP will publish a Final Statement with details of the agreement. If the UK NCP has examined the complaint, it will prepare and publish a Final Statement which clearly sets out whether or not the Guidelines have been breached and, if necessary, recommendations to the multinational enterprise as to future conduct; and

4 **Follow-up** – Where the Final Statement includes recommendations, it will specify a date by which both parties are asked to update the UK NCP on the multinational enterprise's progress towards meeting these recommendations. The UK NCP will then publish a further statement reflecting the parties' responses.

A full explanation of the complaints process, together with the UK NCP's Initial Assessments, Final Statements, and the outcome of any follow-up action are published on the UK NCP's website: www.bis.gov.uk/nationalcontactpoint

What is the legal status of the Guidelines?

The Guidelines do not legally bind multinational enterprises, but adhering countries consisting of OECD member countries and a number of non-member countries are committed to promoting their observance. The Guidelines are not a substitute for local law and regulation, nor should they be considered to override them. They represent supplementary principles and standards of behaviour of a non-legal character, particularly concerning the international operations of multinational enterprises.

Do the Guidelines work if they are voluntary?

Yes. Businesses do not generally wish to attract the publicity or press coverage which a complaint against them might entail. In several cases businesses have been keen to enter into a dialogue with the complainant when complaints are made, with a view to resolving the issues quickly and to the satisfaction of both parties.

Advice available to multinational enterprises wishing to invest in weak governance zones

The OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones provides guidance to multinational enterprises on how to apply due diligence when carrying on activities in countries where governments are unwilling or unable to assume their responsibilities. It addresses risks and ethical dilemmas that multinational enterprises are likely to face in such weak governance zones, and pinpoints a number of useful questions that multinationals operating in such difficult environments can ask themselves.

UK NCP contact details and helpful links:

UK National Contact Point
OECD Guidelines for Multinational
Enterprises
Department for Business, Innovation
and Skills (BIS)
1-19 Victoria Street
London SW1H 0ET
Tel: 020 7215 5756 / 8682 / 6344

UK NCP e-mail:
uk.ncp@bis.gsi.gov.uk

UK NCP Website:
<http://www.bis.gov.uk/nationalcontactpoint>

OECD Website on the Guidelines for
Multinational Enterprises:
www.oecd.org/daf/investment/guidelines

FCO Toolkit for UK posts on business
and human rights:
[http://www.fco.gov.uk/resources/en/pdf/
3849543/bus-human-rights-tool.pdf](http://www.fco.gov.uk/resources/en/pdf/3849543/bus-human-rights-tool.pdf)

Some other international responsible business initiatives supported by the UK Government

OECD Risk Awareness Tool for Multinational Enterprise in Weak Governance Zones:

<http://www.oecd.org/dataoecd/26/21/36885821.pdf>

Extractive Industries Transparency Initiative (EITI):

<http://eitransparency.org/>

Construction Sector Transparency Initiative:

<http://www.constructiontransparency.org/>

Voluntary Principles on Security and Human Rights:

<http://www.voluntaryprinciples.org/>

UN Global Compact:

<http://www.unglobalcompact.org/>

Kimberly Process:

<http://www.kimberleyprocess.com/>

Ethical Trading Initiative:

<http://www.ethicaltrade.org/>

Business Anti-Corruption Portal:

<http://www.Business-Anti-Corruption.com>

Contact BIS

Email: enquiries@bis.gsi.gov.uk

Phone: 020 7215 5000

Web: www.bis.gov.uk

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