



**From:**

## **Annual Report on the OECD Guidelines for Multinational Enterprises 2014**

Responsible Business Conduct by Sector

**Access the complete publication at:**

<http://dx.doi.org/10.1787/mne-2014-en>

---

## **Executive summary**

**Please cite this chapter as:**

OECD (2014), "Executive summary", in *Annual Report on the OECD Guidelines for Multinational Enterprises 2014: Responsible Business Conduct by Sector*, OECD Publishing.

<http://dx.doi.org/10.1787/mne-2014-3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

## Executive summary

The present report reviews the activities undertaken to promote the observance of the *OECD Guidelines for Multinational Enterprises* (the *Guidelines*) by the National Contact Points (NCPs) for the *Guidelines*, and by the OECD Working Party on Responsible Business Conduct (WPRBC) during the reporting cycle from June 2013 to June 2014. Highlights of the reporting period include:

- Costa Rica and Jordan adhered to the *Guidelines*, bringing the total number of adhering countries to 46.
- A ministerial communiqué on responsible business conduct (RBC) was agreed upon during the first ever Ministerial meeting held on RBC on 26 June 2014.
- The 2nd Global Forum on RBC was held on 26-27 June 2014. It was attended by over 560 participants from developed and developing countries, including 60 ministerial and high-ranking officials and 90 speakers.
- The OECD Secretary-General underlined that RBC is crucial to restoring public trust during his remarks on boosting social and environmental standards in international trade.
- NCPs renewed their pledge to address the aftermath of the Rana Plaza tragedy and provide incentives to national actors to adopt robust risk-based due diligence measures to ensure safer and more responsible global textile and garment supply chains.
- The WPRBC and the United Nations and Office of the High Commissioner for Human Rights declared that the *Guidelines* should be applied within the financial sector in the same manner as they are applied by other multinational enterprises.
- The number of activities promoting the *Guidelines* reached a high level.
- A record number of specific instances were concluded with the parties having reached an agreement.
- The multi-stakeholder development of two practical guides – for stakeholder engagement and due diligence in the extractive sector, and RBC along agricultural supply chains – has advanced.
- Evidence of the positive impact of the *OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risks Areas*

(Due Diligence Guidance) through industry implementation programmes has shown there is less conflict financing in tin, tantalum and tungsten mines and there is improved market access for an estimated 70 000 artisanal miners in the Democratic Republic of the Congo and Rwanda, supporting approximately 350 000 dependants.

- The Due Diligence Guidance has also been incorporated into national legal frameworks and policies in the African Great Lakes region. 99% of companies sampled by Ernst & Young that filed their first conflict minerals reports in the US under the Dodd-Frank Act reported to be using the OECD due diligence approach for their reporting.
- A work plan to improve NCP performance was created, a voluntary peer review of the Norwegian NCP took place, along with a horizontal thematic peer review on the initial assessment process of a specific instance.
- A Memorandum of Understanding was signed with the UN Economic Commission for Asia and the Pacific (UN ESCAP) to advance responsible business conduct in the Asia-Pacific region.
- An outreach plan was developed for Southeast Asia, and co-operation programmes launched with the Central Asian and South Caucasus region, and Myanmar.
- A new publication series on RBC in specific countries was created, featuring Kazakhstan as the first country reviewed.
- Stakeholders actively engaged in the promotion of the *Guidelines*.

While these activities have sustained the momentum created by the revision of the *Guidelines* in 2011, continued efforts are necessary to respond to the high expectations related to the *Guidelines*. In response, adhering governments have agreed that the next implementation cycle should prioritise work on how to better communicate the recommendations of the *Guidelines* and the role of NCPs; improve NCP performance and functional equivalence; develop due diligence guidance for enterprises operating in sectors facing particular challenges; and intensify engagement with non-adhering countries and partner organisations.

### **About the Guidelines**

The *Guidelines* are far-reaching recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation.

The *Guidelines* were first adopted in 1976 as part of the OECD Declaration on International Investment and Multinational Enterprises. They have been reviewed five times since then to ensure that they remain a leading tool to promote responsible business conduct in the changing landscape of the global economy. The most recent update took place in 2011.

#### **Adhering governments**

All 34 OECD countries and 12 non-OECD countries, namely Argentina, Brazil, Colombia, Costa Rica, Egypt, Jordan, Latvia, Lithuania, Morocco, Peru, Romania, and Tunisia, adhere to the *Guidelines*.

#### **Stakeholders**

There are three accredited stakeholder representatives in the OECD supporting the *Guidelines*: the Business and Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC) and OECD Watch, an international network of more than 80 civil society organisations (CSOs).

#### **Partner organisations**

The OECD has developed working relationships, *inter alia*, with the International Labour Organization, the International Organisation for Standardization, the World Bank, the UN Working Group on Business and Human Rights, the UN Global Compact, the UN Finance Initiative, the Global Reporting Initiative, and the International Coordinating Committee of Human Rights Institutions.

