



Annual Report on the OECD Guidelines for Multinational Enterprises 2016



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Foreword

This report covers the activities undertaken to promote the effective implementation of the OECD Guidelines for Multinational Enterprises (hereafter the “Guidelines”) by the OECD Secretariat, adhering governments and their National Contact Points (NCPs) during the period January to December 2016.

The first chapter describes the history of the Guidelines, the leading worldwide standard on responsible business conduct. Chapter 2 provides an overview of regulations and policies introduced during the reporting period which make reference to or support implementation of the Guidelines. Chapter 3 describes the promotional activities undertaken by the 46 OECD National Contact Points (NCPs) in 2016 and reports on the specific instances they handled. It also provides an overview of actions to strengthen the NCPs through peer review, capacity building and peer learning. Chapter 4 describes progress and activities relating to initiatives in the minerals, extractive, garment and footwear, agriculture and financial sectors. Chapter 5 describes the OECD’s activities with countries that do not currently adhere to the Guidelines. Chapter 6 reports on work underway to measure the impact of responsible business conduct on companies’ performance.

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Executive summary

Celebrating 40 years of the Guidelines

The year 2016 marked the 40 year anniversary of the *OECD Guidelines for Multinational Enterprises* (hereinafter Guidelines) and a number of events took place last year to celebrate this occasion. Since 1976, the number of OECD and non-OECD countries adhering to the Declaration (Adherents) has grown from 24 to 46.¹ Today, this includes the 35 OECD countries and 11 non-OECD countries. The global reach and impact of the Guidelines has significantly increased and today they are the leading standard on responsible business conduct (RBC) worldwide. The Guidelines are stronger and more sophisticated than 40 years ago thanks, in part, to their continuous adjustment to global economic changes, the breadth of their coverage, their unique grievance mechanism, the inclusion of global supply chains, and the strong involvement of stakeholders.

Legislative and policy developments

In 2016, several important developments took place in policy and legislation which support further implementation of the Guidelines. The Council of Europe's *Recommendation of the Committee of Ministers to member States on human rights and business* included references to the Guidelines as a risk assessment framework and encouraged Council of Europe member states to take steps to adhere to and/or implement the Guidelines. The Council of Europe also encouraged Adherents to the Declaration to ensure the effectiveness of their National Contact Points (NCP).² The International Labour Conference addressed decent work in global supply chains and the ILO Governing Body adopted a 5 year programme of action which promotes partnership with the OECD.

Pending legislative proposals relevant to the Guidelines also made progress in 2016. The deadline for transposition of the *European Union (EU) Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups* was December 2016. Several EU members were active in promoting the Guidelines as a framework for transposition. In France, a legislative proposal which aims to mandate supply chain due diligence in accordance with the Guidelines was sent to the French Senate for a further reading. Final adoption by the French National Assembly took place in early 2017. A petition proposing mandatory human rights due diligence was presented to the Swiss government and is currently under discussion in the Federal Council. In November, the European Parliament, Commission and Council reached an informal agreement on the content of an EU Regulation on tin, tantalum, tungsten and gold which is based on approaches recommended by the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (Minerals Guidance).³

The trend of inclusion of RBC criteria in trade and investment agreements continued throughout 2016 and references to the Guidelines were included in the European Union-Canada Economic and Trade Agreement, the European Union-Viet Nam Free Trade Agreement and the Free Trade Agreement between the European Free Trade Association and Georgia.

Six export credit agencies (ECAs) (Austria, Canada, the Netherlands, Slovenia, Sweden/SEK and the United States) reported having a formal process for considering statements or reports from their NCP.⁴ Germany, Italy, Switzerland and the United States completed a National Action Plan on Business and Human Rights/RBC (NAP) in 2016 and the United Kingdom updated an existing NAP. All NAPs completed in 2016 include reference to the Guidelines and NCP mechanism.

National Contact Points

All Adherents to the Guidelines are required to set up an NCP to further the effectiveness of the Guidelines. As of end-2016, 44 of the 46 Adherents had an NCP in place. The two exceptions are Egypt and Tunisia who do not appear to have an NCP contact, a website or any NCP-related activity.

NCPs have the mandate of furthering the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries and contributing to the resolution of issues related to the Guidelines in specific instances. Handling grievances related to non-observance of the Guidelines (“specific instances”) is a unique feature of the Guidelines.

In 2016, 34 new specific instances were submitted to NCPs and 38 specific instances were closed, including specific instances submitted during and before 2016. Of these, 24 were concluded and 14 were not accepted.⁵ Some form of agreement was reached in nine specific instances accounting for 60% of all concluded specific instances where mediation occurred (15 specific instances). Agreements reached amongst parties in 2016 often included the development of a remediation plan, or changes to a company's operations and policies to mitigate impacts.

Nine (37%) of the concluded specific instances resulted in some change to company policy or operations to better meet the recommendations of the Guidelines. These changes included strengthening corporate policies on human rights, improving due diligence processes as well as improving reporting processes and transparency standards.

Of the 34 new specific instances, several submissions were to NCPs which had previously received few or no cases. This included four cases to the NCP of Italy, two cases to the NCP of Colombia, and two cases to the NCP of Morocco. The financial sector continued to be a sector in which most specific instances were raised for the second year in a row, accounting for over 20% of all new submissions. The chapter on Human Rights continues to be the most cited Guidelines chapter in specific instances, in line with historical trends.

One of the key functions of NCPs in addition to handling specific instances is to promote the Guidelines. A total of 25 NCPs have created a promotional plan for the Guidelines and 35 NCPs either held or attended promotional events during 2016. Most governments have made their NCP visible, e.g. via a dedicated website and, since the last reporting period, four NCPs have created a website. A total of 33 NCPs have published information on procedures on their website explaining the specific instance process.

There are currently three adhering governments that do not have a website in place on the Guidelines or the NCP.

NCPs are required to meet regularly to share experiences, and report to the Investment Committee. Most NCPs fulfilled these obligations. Forty-one NCPs attended the meetings of NCPs in both June and November 2016. A total of 5 NCPs did not attend the meetings of NCPs in either June or November and two NCPs did not report.

In 2016, a calendar of peer reviews for 2016-18 was created and the peer review of Belgium was finalised. The on-site visits for the reviews of Italy and Switzerland took place in 2016. Two capacity-building missions took place to Jordan and Kazakhstan. Both missions focused on the development of an NCP and the role of RBC in the respective countries.

Due diligence to implement the Guidelines

Sector specific applications of the Guidelines saw significant developments in 2016. Sector projects include work on responsible mineral supply chains, agricultural supply chains, and garment and footwear supply chains, as well as projects on stakeholder engagement in the extractive sector and RBC in the financial sector.

A new draft *Due Diligence Guidance for Responsible Business Conduct* across sectors was a major addition to the supply chain due diligence work in 2016. The draft Due Diligence Guidance draws from the sector projects, which provide more detailed recommendations tailored to the specific risks in those sectors.

For the minerals sector, in addition to the European Union regulation discussed above, in April 2016, the Chinese Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters (CCCME) and the OECD organised a workshop on responsible cobalt, leading to the development of the Responsible Cobalt Initiative in November 2016. This initiative builds off the recommendations of the Minerals Guidance and the *Chinese Due Diligence Guidelines for Responsible Supply Chains of Minerals*.

In May 2016 the Council adopted the *Recommendation of the Council on the OECD-FAO Guidance for Responsible Agriculture Supply Chains* and in July, the *Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*. The *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* was approved by the OECD Working Party on Responsible Business Conduct in November 2016 and the OECD Investment Committee in January 2017.

The paper titled *Responsible business conduct for institutional investors* was unanimously endorsed by the multi-stakeholder advisory group of over 50 representatives from the financial sector in December 2016. The OECD Working Party on Responsible Business Conduct approved the paper on 23 January 2017, followed by the OECD Investment Committee on 8 February 2017.

The G7 Agricultural Ministers' Meeting Declaration of April 2016 welcomed the *OECD-FAO Guidance for Responsible Agricultural Supply Chains* and encouraged its observance by companies.⁶

Outreach and co-operation with partners

The focus on promoting dialogue and deepening engagement on RBC with non-Members who have not adhered to the OECD Declaration on Investment and Multinational Enterprises (Declaration) was maintained throughout 2016. This has been one of the top priorities of the OECD Secretariat since the Guidelines were updated in 2011 and co-operation has continued with a number of key countries, either through regional, country, or sector programmes, as well as the annual Global Forum on Responsible Business Conduct (GFRBC) or the sector-specific forums and roundtables organised by the OECD. The focus on Asia as a priority for outreach is expected to continue over the medium-term. RBC is now systematically integrated in OECD investment reviews and the OECD institutional framework for how RBC is considered in relation to adherence and accession was strengthened.

The GFRBC held on 8-9 June 2016 at the OECD in Paris, brought together over 80 speakers and 750 participants from governments, businesses, trade unions, and civil society. The main themes of 2016 included: achieving real impact through better business practices, anticipating emerging issues in supply chains, and promoting a better contribution of the private sector to the achievement of SDGs. The 2016 GFRBC also included, for the first time, a High-Level Roundtable for Policy-Makers on 7 June 2016. The Roundtable provided a space for dialogue among policy-makers to discuss ways to effectively design, promote and implement policies and instruments to promote RBC. OECD also promotes dialogue through sector-specific forums and roundtables, e.g. the 10th ICGLR-OECD-UN GoE Forum on Responsible Mineral Supply Chains held on 10-12 May 2016 at the OECD in Paris.

Measuring the impact of responsible business conduct

In 2016, the OECD launched two projects to measure the impact of RBC. The first project, conducted jointly with Columbia University, developed a framework to measure the costs and benefits of due diligence for businesses. The second project, which is still underway, aims to develop a core set of indicators in the minerals supply chain which could help practitioners track results on the ground. The OECD also organised a session on results measurement at the 2016 GFRBC and published evidence of the impacts of RBC on companies' performance in the 2016 edition of the OECD Development Co-operation Report.

Chapter 1

Celebrating 40 years of the Guidelines

The year 2016 marked the 40 year anniversary of the *OECD Guidelines for Multinational Enterprises* (hereafter the “Guidelines”). Since their adoption in 1976, the global reach and impact of the Guidelines has significantly increased and today they are the leading instrument on responsible business conduct (RBC) worldwide. A number of events took place to celebrate the 40 years of the Guidelines. These included a range of seminars and conferences organised by National Contact Points (NCPs), as well as a dialogue between the Council and the Chair of the Investment Committee and the Chair of the WPRBC on 20 October and two Roundtables organised by the OECD and partners in September and December (Table 1).

These events provided an opportunity for a wide range of stakeholders from government, business, workers, civil society, international organisations and academia to reflect on the history, role and future of the Guidelines.

Table 1. Events organised to celebrate the 40 years of the Guidelines

Events organised by the OECD		
17 September	International Bar Association (IBA) George Washington University (GW) Law School OECD Roundtable: OECD Guidelines for Multinational Enterprises and the Law	Washington, D.C., USA
19 December	OECD International Law Association (ILA) and Société française pour le droit international (SFDI) Roundtable on 40 years of the OECD Guidelines for Multinational Enterprises	Paris, France
Events organised by National Contact Points		
17 February	Korean NCP Seminar for the 40th anniversary of the OECD Guidelines for MNEs - NCP Korea	Seoul, Korea
20 June	Workshop on Good Practices in Promoting Responsible Business Conduct - NCP Hungary	Budapest, Hungary
25 August	Global Responsible Conduct today: 40 Years of the OECD Guidelines for Multinational Enterprises - NCP Finland	Helsinki, Finland
6 October	International conference: Responsible development – responsible business conduct: 40 years of OECD Guidelines for Multinational Enterprises 20 years of Poland’s membership in the OECD - NCP Poland	Warsaw, Poland
24 October	Part of the Business Reality Check: 40 Years OECD Guidelines for Multinational Enterprises - NCP Austria	Vienna, Austria
3 November	OECD Guidelines 40 years onwards - NCP Netherlands	The Hague, Netherlands

Adaptation to changes in the global economy

Throughout their lifetime the Guidelines have continuously adjusted to global economic changes while advancing the responsibility of business towards society.⁷ The events leading to the coup d'état in Chile in 1973 triggered international discussions on the power of multinational enterprises in host countries⁸ and culminated in the adoption of the OECD Declaration on Investment and Multinational Enterprises in 1976. The Declaration offered a balanced approach to investment both granting rights to, and expecting certain standards of behaviour from investors: adhering governments would provide national treatment to foreign investors in reciprocation of an expectation that they behave responsibly, in line with the recommendations of the Guidelines.⁹

The initial momentum of the Guidelines somewhat faded in the 1980s and 1990s as attention within OECD countries shifted to investment protection and liberalisation.¹⁰ Increasing calls to accompany the opening up of global markets with social measures led to the inclusion of the Guidelines in the draft text of the Multilateral Agreement on Investment (MAI), but the negotiations on this agreement failed in November 1998. In turn, the Guidelines revived as a result of their revision in 2000. In this revision, the scope of the Guidelines was significantly broadened as Adherents were now expected to promote RBC among their MNEs operating in *or from* their territories, hence placing the same expectation on foreign and domestic investors.¹¹

To keep up with the rise of global value chains and enterprises restructuring their operations internationally through outsourcing and offshoring of activities, the Guidelines were further strengthened in the 2011 revision to include an expectation that business not only behave responsibly in the context of their own operations but also across their business relationships and supply chains. This paved the way for the so-called "Proactive Agenda" that has expanded the OECD's work on supply chain due diligence and the development of sector-specific guidance instruments.

In 2015, the OECD Policy Framework for Investment (PFI) was updated to include a strengthened chapter with recommendations on how governments can enable RBC through regulation, facilitation, cooperation, promotion and leading by example.¹² The PFI and the Guidelines have thus become an integral part of the OECD's approach to sustainable investment policy.

Substantive coverage

Another feature of the Guidelines is that they have continuously evolved to reflect the broad and cross-cutting scope of RBC, with business impacts on society, both positive and negative, covering a range of issues. The first edition of the Guidelines addressed the main issue of discussion at the time, namely employment and labour relations.¹³ As part of the third revision in 1991 a chapter on environmental protection was added, which was followed by chapters on combatting bribery and the protection of consumer interests in the revision of 2000. The 2011 review of the Guidelines led to the inclusion of a stand-alone chapter on human rights aligned with the UN Guiding Principles on Business and Human Rights.

Throughout their five revisions, the Guidelines have expanded to address salient substantive areas with respect to business ethics, and have been aligned with major international instruments in the respective fields, including United Nations instruments on human rights and international environmental agreements, as well as the *Convention on*

Combating Bribery of Foreign Public Officials in International Business Transactions and the *G20/OECD Principles of Corporate Governance*.¹⁴ Traditionally the labour chapter has been closely linked to the ILO fundamental Conventions and the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* of 1977. This “umbrella approach” of the Guidelines makes it the most comprehensive international instrument on RBC.

Grievance mechanism

The Guidelines are the only corporate responsibility instrument that has a built-in grievance mechanism, the National Contact Points (NCPs). The NCPs act as a forum for discussion for all matters relating to the Guidelines and contribute to the resolution of issues that arise relating to implementation of the Guidelines.

Although dispute resolution was inherently linked to the Guidelines since their inception, it was not until the 2000 revision of the Guidelines that a process for dispute resolution was articulated. Historically, the predecessor of the Investment Committee was vested with the review and consultation procedure relating to the application of the Guidelines.¹⁵ Although this procedure was not designed as a grievance mechanism, a number of cases were brought to the attention of the Committee by TUAC in the first years of the Guidelines. The first one was the 1977 “Badger case”.¹⁶ At the end of the 1970s Members started to set up national facilities for handling enquiries and for discussion on issues relating to the Guidelines.¹⁷ The second revision of the Guidelines in 1984 included for the first time an obligation to set up a National Contact Point “for undertaking promotional activities, handling enquiries and for discussions with the parties concerned on all matters related to the Guidelines so that they can contribute to the solution of problems which may arise in this connection.”¹⁸

In the 1980s a number of NCPs were established and handled the first specific instances, which totalled around 44 by the end of the 1990s. However, overall, their functioning was affected by the fading attention to the Guidelines during that period.¹⁹ The NCP system revived as a result of the 2000 revision, and the inclusion of a detailed Procedural Guidance on the role and functions of NCPs. This gave them a stronger role to deal with all matters relating to the Guidelines, including resolving issues related to the non-observance of the Guidelines by companies.²⁰ Since 2001 NCPs have been dealing with an increasing amount of cases. To date, more than 400 specific instances have been handled by NCPs, addressing impacts from business operations in over 100 countries and territories. The institutional arrangements of NCPs have also evolved from purely government-based structures to include tripartite, quadripartite and also independent agency structures.²¹

The role of NCPs in supporting the implementation of the Guidelines was reinforced during the last update of the Guidelines in 2011.²² In 2015 calls were made by OECD Ministers and G7 Leaders to strengthen the performance of NCPs, including through voluntary peer reviews and the exchange of best practices. This resulted in the creation of an OECD Action Plan to strengthen NCPs, which focuses on peer reviews and capacity building, peer learning and the development of tools to support NCPs in delivering their mandate. The Action Plan was approved by the Investment Committee in early 2016. In December 2016 the Secretary General of the OECD sent letters to Ministers of all Adherents to the Investment Declaration recognising the performance of their NCPs, encouraging NCPs to volunteer for peer reviews or capacity-building and signalling efforts to strengthen the NCP network.

Responsible global supply chains

Another major success of the Guidelines is the expanding work on due diligence for responsible global supply chains. This began in 2009 with respect to responsible mineral supply chains following calls from the G8 and the International Conference in the Great Lakes Region to help develop a framework to enable responsible sourcing of minerals from conflict-affected and high risk areas.²³ A multi-stakeholder collaboration, involving OECD countries, non-OECD countries, the private sector and civil society led to the development of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* in 2011.²⁴ Today, its implementation programme involves over 500 stakeholders and has managed to effectively engage in outreach with non-Adherents that play important roles in global mineral supply chains, including also the People's Republic of China (China).

The approach promoted by the work on responsible minerals supply chains has inspired the development by the OECD of guidance for companies operating in other sectors. When the Guidelines were updated in 2011, the multi-stakeholder approach of the minerals implementation programme inspired the inclusion of a specific mandate for the Investment Committee to pursue a 'proactive agenda' to support implementation of RBC in specific sectors.²⁵ The WPRBC subsequently initiated sector-specific projects in the agriculture, extractives, garment and footwear, and financial sectors, driven by demand from stakeholders and supported by multi-stakeholder advisory groups. The year 2016 was a momentous year as *Recommendation of the Council on the OECD-FAO Guidance for Responsible Agricultural Supply Chains* and the *Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector* were adopted, and the *Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* and the paper on "Responsible business conduct for institutional investors" was finalised.

Stakeholder involvement

Central to the evolution and the success of the Guidelines is the importance of the participatory process involving governments, business, trade unions and civil society. The *Decision of the Council on the OECD Guidelines for Multinational Enterprises* (Decision on the Guidelines) recognised the Business and Industry Advisory Committee (BIAC) and the Trade Union Advisory Committee (TUAC) as advisory bodies.²⁶ As a result of the 2000 revision of the Guidelines, OECD Watch, an international network of more than 80 civil society organisations was added as a third international partner that the Investment Committee periodically invites to express their views on matters covered by the Guidelines. Throughout its 40 years of existence, stakeholders have played a critical role in drawing attention to areas in need of improvement, bringing specific instances to the NCP system and generally promoting the Guidelines in their activities. Their efforts to improve the functioning of NCPs led to a unique joint statement in October 2015 calling on the OECD to establish an effective peer review programme and on governments to sufficiently resource their NCPs.²⁷ The effective engagement with stakeholders continues to be a pillar of all work related to the Guidelines (see also the statements by institutional stakeholders set out in Annex 10).

Legal nature

The Guidelines are recommendations addressed by governments to multinational enterprises. Efforts to confer a binding nature on the Guidelines failed in the early years of their introduction.²⁸ As such the instrument is voluntary in nature; however, Adherents are bound to set up a functioning NCP by virtue of the Decision on the Guidelines which is legally binding on Adherents.

The last decade has witnessed an increasing uptake of the Guidelines and its related due diligence instruments in international and national policy and legislation. Key aspects of the Guidelines have been incorporated into national laws and EU regulations. The Guidelines have also become a cornerstone of the EU trade strategy²⁹ and have been consistently referenced in trade and investment agreements,³⁰ but also in development policy and in National Action Plans on Business and Human Rights. These developments have helped raise the profile of the Guidelines and contributed to widespread awareness of the evolving expectations regarding RBC.

Since their inception, the Guidelines have steadily become stronger and more sophisticated thanks to their continuous adjustment to global economic changes, the breadth of their substantive coverage, their unique grievance mechanism, their coverage of global supply chains, the involvement of stakeholders and their legal nature. Since 1976, the number of Adherents has grown from 24 to 46³¹, which includes the 35 OECD Members and 11 non-Members. To maintain the position of the Guidelines as a leading global standard on business responsibility, a future challenge will be to respond to the 2015 Ministerial Council Statement's call to widen adherence to the MNE Guidelines and to ensure that the Guidelines continue responding to the expectations of society.³²

Chapter 2

Legislative and policy developments in support of the Guidelines

In 2016, RBC has continued to be integrated into domestic and international policy and regulations. There have been important developments with respect to pending legislative proposals on RBC, and several new policy initiatives have been introduced that promote RBC and make reference to the Guidelines.

Responsible business conduct in high-level statements

RBC is an important tool in promoting sustainable trade and investment as the industries and supply chains that entail the most severe risks are often relied on by the poorest and most vulnerable segments of the population for their livelihoods. Under the Guidelines business are encouraged to engage in ongoing risk-mitigation rather than disengage at first sign of potential environmental or social risks within their supply chain, promoting inclusive growth and development.

The G20 Leaders' Communique of 2016 acknowledged "the important role of inclusive business in development."³³ The G20 Guiding Principles for Global Investment Policymaking adopted in 2016 also recognised that "[i]nvestment policies should promote and facilitate the observance by investors of international best practices and applicable instruments of responsible business conduct and corporate governance."³⁴ A report on *Strengthening Responsible Business Conduct through Trade and Investment* was developed in response to a mandate included in the 2015 Ministerial statement which called on the OECD to analyse how sustainability and RBC can be promoted through trade and investment.³⁵ The report was submitted to the 2016 OECD Meeting of the Council at the Ministerial level to support the discussion on Strengthening the Contribution of Trade and Investment to Productivity and Inclusiveness. The 2016 OECD Ministerial Council Statement called on the OECD "to continue promoting strong RBC, notably the MNE Guidelines, strengthening the functioning of the National Contact Points, and fostering work on due diligence in relevant sectors, such as agricultural supply chains, to encourage inclusive, responsible and sustainable growth."³⁶

In addition to promoting inclusive growth, the Guidelines were recognised as an important risk management tool. The *Recommendation of the Committee of Ministers to member States on human rights and business* adopted by the Council of Europe in March of 2016, references the Guidelines as a framework against which to assess risks in the context of commercial trade missions. It also calls on Council of Europe's members to ensure alignment with the *OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones* and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* in carrying out operations in conflict-affected areas, and in other sectors or areas that involve a high risk of negative impacts on human rights.³⁷

The Recommendation also included language encouraging European Union members to take steps to adhere to and/or implement the Guidelines and, for Adherents to the Declaration, to ensure the effectiveness of their National Contact Points (NCPs).³⁸ This call was echoed by the European Parliament. A *European Parliament resolution on implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility*, adopted on 5 July 2016, recalled “Parliament’s request from 2010 to include CSR in all EU trade agreements and provisions for greater enforcement, notably the possibility for the Commission to carry out investigations into alleged breaches of CSR commitments and the development of EU contact points building on and strengthening the OECD contact points.”³⁹ The resolution also asked the EU Commission “to step up its efforts towards achieving compliance by companies, throughout their supply chains, and full respect for ILO core labour standards and internationally recognised CSR standards, in particular the recently updated OECD Guidelines for Multinational Enterprises.”⁴⁰

Alignment across international instruments

In March 2016, the Governing Body of the International Labour Organisation (ILO) agreed to review the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* to take account of developments within and outside the ILO since its last revision in 2006.⁴¹ Relevant developments include the introduction of the UN *Guiding Principles on Business and Human Rights* and the UN Sustainable Development Goals. The review also took into account the conclusions of the 2016 International Labour Conference (ILC) on decent work in global supply chains. The Governing Body approved the revised Tripartite Declaration in March 2017.⁴²

The ILC which took place in June 2016 held a general discussion to consider the opportunities and challenges for the realisation of decent work and inclusive development emerging from global supply chains.⁴³ The Conference concluded that the ILO should work in partnership with other international organisations including the OECD to advance decent work in global supply chains and “take into account international frameworks [...] such as the OECD Guidelines for Multinational Enterprises.”⁴⁴ The Conference conclusions also addressed strengthened cooperation between the NCPs and the ILO, by stating that: “the ILO should, taking into account the function and the geographical scope of OECD National Contact Points, upon request, provide expertise to the NCPs on social and labour standards. Within the review process of the MNE Declaration, it should consider the setting up of mechanisms to address disputes.”⁴⁵

To follow-up on the ILC mandate, in November 2016 the ILO Governing Body adopted a 5 year programme of action (2017-2021) to guide the work of the ILO. The programme of action promotes partnership with the OECD to advance decent work in global supply chains, tasks the ILO to play a leading role to ensure coherent implementation of the labour and employment components of the OECD Guidelines, and refers to proposals to be presented to the Governing Body in March 2017 for a system and process with which the ILO can best provide expertise to the NCPs upon request.⁴⁶

The 2016 Development Co-operation Report of the OECD recognised the important role of RBC in supporting the global development agenda.⁴⁷ The report explores how the UN Sustainable Development Goals (SDGs) can be realistically attained including through raising sufficient financing and promoting sustainable and inclusive growth. A chapter on promoting sustainable development through RBC outlines how

implementation of the Guidelines can support the SDGs, and can strengthen inclusiveness and participation in global value chains.

A June 2016 report by the UN Working Group on Business and Human Rights to the UN Human Rights Council examined the duty of States to protect against human rights abuses involving those business enterprises that they own or control. The report found that there is a general lack of attention to RBC issues and has called on states to explicitly fill these gaps among state-owned enterprises (SOEs). The Guidelines (including National Contact Points) and the *Recommendation of the Council on Guidelines on Corporate Governance of State-Owned Enterprises* are prominently referenced both throughout the report and as a basis for future work on this topic.⁴⁸ The OECD has already begun integrating these considerations into Investment Policy Reviews of countries that have large SOE activity, most recently in reviews of Ukraine (2016) Kazakhstan (2015) and Viet Nam (forthcoming).

Legislative developments promoting the Guidelines

2016 saw important developments made with respect to several pending legislative proposals on RBC.

The deadline for transposing the *EU Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups* (hereinafter “EU Directive”) for EU members was 6 December 2016.⁴⁹ The EU Directive promotes implementation of the recommendations of the Guidelines by referencing them as a framework which companies can rely upon in fulfilling their reporting obligations under the Directive and by including an expectation that companies report on their due diligence systems and outcomes. Alignment between the EU Directive and the Guidelines is helpful both for promoting the recommendations of the Guidelines as well as facilitating compliance with the Directive, as the majority of EU members are already committed to implementing the recommendations of the Guidelines.

Some countries have been active in promoting the Guidelines as a framework for transposition. For example the NCP of Italy has been involved in the transposition of the EU Directive in Italy, which was completed through a Decree on 23 December 2016. The NCP launched a national working group and hosted several consultations on non-financial disclosure as well as on supply chain due diligence in line with the Guidelines.

A legislative proposal which aims to mandate supply chain due diligence in accordance with the Guidelines is currently under consideration in France.⁵⁰ This proposal was first introduced in February of 2015. If enacted, it would require companies to develop and publish a due diligence plan for human rights, and environmental and social risks. The law would apply to all French companies employing 5 000 employees or more domestically or 10 000 employees or more internationally. The proposal was endorsed by the French National Assembly in March 2015, but rejected by the French Senate in November 2015. Some modifications were made to the proposal and it was approved again by the Assembly National after a second reading on 29 November 2016. The proposal was sent to the French Senate for another reading and final adoption by the French National Assembly took place in February of 2017.⁵¹ However members of Parliament submitted the proposal to the French Constitutional Court which will have to validate the Bill before it can enter into force.

In 2015 a motion proposing human rights and environmental due diligence for Swiss corporations was put forth in Switzerland. The motion was narrowly voted down in the

Swiss Parliament; however, a popular referendum was launched on the proposal and 120 000 signatures were collected as of 10 October 2016.⁵² The petition proposing mandatory human rights due diligence was presented to the Swiss government and is currently under discussion in the Federal Council. It will be put up to vote by the public in 2019.

Since 2014 the EU has been in the process of adopting a regulation on conflict minerals. Under the regulation EU consuming markets will be covered by legal provisions to promote supply chain due diligence for products containing tin, tantalum, tungsten or gold. In November of 2016, the European Parliament, Commission and Council reached an informal agreement on content of EU Regulation on conflict minerals which is based on approaches recommended in the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.⁵³ The OECD provided technical assistance in development of this regulation (See Chapter 4 of this report). The EU Parliament and the International Trade Committee are expected to formally adopt the text in May 2017. Under the current text the regulation will be applicable in all EU members as of 1 January 2021.

Policy support for RBC in sectors

In March 2016 the Dutch government and a broad coalition of industry organisations, trade unions and civil society organisations adopted the Sustainable Garment and Textile Agreement.⁵⁴ The agreement seeks to promote responsible business practices and recognises the Guidelines as the starting point for RBC. The agreement also makes reference to the supply chain due diligence approach of the OECD's *Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, and identifies this guidance as the appropriate framework for SMEs in this sector.

In October of 2016 the Dutch government published a similar agreement in the context of the banking sector. The *Dutch Banking Sector Agreement on international responsible business conduct regarding human rights* makes significant reference to the Guidelines including by stating that “individual banks have the responsibility to respect human rights in conformity with the OECD Guidelines,” that signatories agree to “implement and embed their responsibility to respect human rights in their operations and confirm to act in conformity with the OECD Guidelines” and to “implement human rights due diligence in their operations in conformity with the OECD Guidelines.”⁵⁵ The agreement also makes specific reference to the ongoing work of the WPRBC on due diligence in the financial sector⁵⁶ (See Chapter 4).

RBC in economic instruments

RBC and export credits

Paragraph 16 of the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence states that, when undertaking a review, Adherents should, where appropriate, “consider any statements or reports made publicly available by their National Contact Points (NCPs) at the conclusion of a specific instance procedure under the OECD Guidelines for Multinational Enterprises.”⁵⁷

Members of the OECD Working Party on Export Credits and Credit Guarantees (ECG) submit an annual survey on their environmental and social policies, including implementation of Paragraph 16 of the Common Approaches.

In 2016 six ECAs (Austria, Canada, the Netherlands, Slovenia, Sweden/SEK and the United States) reported having a formal process for considering, where appropriate, any statements or reports from their NCP: for example, in the United States, all applications must be “cleared” by the US Department of State, which houses the NCP. In addition, 21 other ECAs reported that they have processes in place; however, from the responses it would appear that these are more *ad hoc* than formal, although some ECAs commented that they have established regular contacts with the NCPs in order to exchange information about on-going projects.⁵⁸ This represents an increase over last year where 25 Adherents reported having processes in place at the level of their ECAs to consider NCP statements.⁵⁹

Three ECAs (the Czech Republic, New Zealand and Turkey) reported that they do not have any such policies or procedures in place. Two ECAs (Denmark and Spain) reported that they are in the process of developing specific policies and procedures with regard to considering any statements or reports from their NCP.⁶⁰

RBC in trade and investment agreements

The trend of inclusion of RBC criteria in trade and investment agreements has continued throughout 2016.⁶¹

The EU-Canada Economic and Trade Agreement signed in September 2016 includes several references to the Guidelines and related instruments, including in the preamble and in the context of cooperation and promotion of trade supporting sustainable development. It also encourages activities that support the *OECD Guidelines for Multinational Enterprises* and the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* as an internationally recognised standard in the context of their bilateral dialogue on raw minerals.⁶²

The EU-Viet Nam Free Trade Agreement, agreed as of January 2016 includes references to the Guidelines in the context of trade and sustainable development noting that “the Parties[...]agree to promote corporate social responsibility (CSR).[...] In this regard, each Party takes into account relevant internationally accepted and agreed instruments, that have been endorsed or are supported by the Party, such as the *OECD Guidelines for Multinational Enterprises*, the UN Global Compact, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.”⁶³

The Free Trade Agreement between the EFTA States⁶⁴ and Georgia was concluded in 2016 and notes the Guidelines in its preamble acknowledging “the importance of good corporate governance and corporate social responsibility for sustainable development, and affirming their aim to encourage enterprises to observe internationally recognised guidelines and principles in this respect, such as the *Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*, the OECD Principles of Corporate Governance [revised and embodied in an OECD Recommendation in 2015 -and the United Nations (UN) Global Compact.”⁶⁵

National Action Plans

Four Adherents to the Guidelines (Germany, Italy, Switzerland and the United States) completed a National Action Plan on Business and Human Rights/RBC (NAP) in 2016

and one (United Kingdom) reported the completion of an updated NAP. All NAPs completed in 2016 include references to the Guidelines and NCP mechanism. A total of 14 Adherents have now completed NAPs and 17 Adherents reported NAPs in progress in 2016 (See Table 2 for more information). Additionally, while some countries do not have official NAPs they may have RBC-related policies and strategies in place which include elements similar to that of a NAP.

Table 2. **References to RBC in National Action Plans on Business and Human Rights**

Country	Status of NAP	Reference to the Guidelines	Reference to NCPs
Argentina			
Australia			
Austria			
Belgium	In progress	Yes	Yes
Brazil	In progress	Yes	Yes
Canada			
Chile	In progress	Not reported	Not reported
Colombia	Completed 2015	Yes	Yes
Costa Rica	In progress	Yes	Not reported
Czech Republic	In progress	Yes	Yes
Denmark	Completed 2014	Yes	Yes
Egypt			
Estonia			
Finland	Completed 2014	Yes	Yes
France	In progress	Yes	Yes
Germany	Completed 2016	Yes	Yes
Greece	In progress		
Hungary	In progress	Not reported	Not reported
Iceland			
Ireland	In progress	Not reported	Not reported
Israel			
Italy	Completed 2016	Yes	Yes
Japan	In progress	Not reported	Not reported
Jordan	Completed 2016	No	No
Korea	In progress	Yes	Yes
Latvia	In progress	Not reported	Not reported
Lithuania	Completed 2015	No	No
Luxembourg			

Country	Status of NAP	Reference to the Guidelines	Reference to NCPs
Mexico	In progress	Not reported	Not reported
Morocco	In progress	Not reported	Not reported
Netherlands	Completed 2013	Yes	Yes
New Zealand			
Norway	Completed 2015	Yes	Yes
Peru			
Poland	In progress	Yes	Yes
Portugal	In progress	Not reported	Not reported
Romania			
Slovak Republic			
Slovenia	In progress	Not reported	Not reported
Spain	Completed 2014	Yes	Yes
Sweden	Completed 2015	Yes	Yes
Switzerland	NAP on RBC completed 2015 NAP on Business and Human Rights completed 2016	Yes	Yes
Tunisia			
Turkey			
United Kingdom	Completed 2013, Updated 2016	Yes	Yes
United States	Completed 2016	Yes	Yes

Chapter 3

National Contact Points

Background

All Adherents to the Declaration on International Investment and Multinational Enterprises are also required to adhere to the Decision on the Guidelines. The Decision on the Guidelines contains the legally binding obligation for Adherents to set up a National Contact Point (NCP), to further the effectiveness of the Guidelines, and make human and financial resources available to their NCP to fulfil their responsibilities. NCPs have the mandate of furthering the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries and contributing to the resolution of issues related to the Guidelines in specific instances. Handling grievances related to non-observance of the Guidelines (“specific instances”) is a unique feature of the Guidelines.

Of the 46 Adherents, a total of 44 have an NCP in place, the exceptions being Egypt and Tunisia who do not appear to have an NCP contact, a website or any NCP-related activity. Neither country has reported to the OECD Investment Committee since 2014.

This chapter focuses on the activities of NCPs during the period January–December 2016. It is based on the responses to the annual reporting questionnaires submitted by the NCPs covering activities up to 31 December 2016. Over the course of 2016, the OECD Secretariat, in consultation with delegates from the WPRBC, revised the reporting questionnaire for the annual reports of NCPs to facilitate more in-depth and accurate reporting by NCPs, as well as better aggregation of information.

The chapter begins by providing an overview of specific instances closed and new ones submitted within the reporting period, and addresses trends in handling specific instances during that period. This is followed by a section addressing the current structures of NCPs, including the involvement of Ministries and relevant staff and financial resources. Following this, the chapter focuses on NCP activities conducted in 2016. An overview of NCPs in 2016 is provided in Annex 1.

Overview of specific instances handled during the reporting period

In 2016 there were 34 new specific instances submitted to NCPs and 38 specific instances were closed including specific instances submitted during and before 2016. The sections below give an overview of outcomes of closed cases and trends identified for cases submitted in 2016.

Box 1. Terminology for the status of specific instances

Specific instances **closed** during the year include both specific instances that have been **concluded** during the year and those that were **not accepted** during the year.

1. Specific instances **concluded** during the year are those that the NCP found to merit further examination after the initial assessment and that have subsequently been closed. For such specific instances the NCP will have offered its “good offices” (e.g. mediation/conciliation) to both parties.
2. Specific instances **not accepted** during the year are those that the NCP found **not** to merit further examination and that have therefore been closed.

Specific instances that are **in progress** are those that are not yet closed. These will include submissions received by the NCP and under consideration, along with those accepted by the NCP.

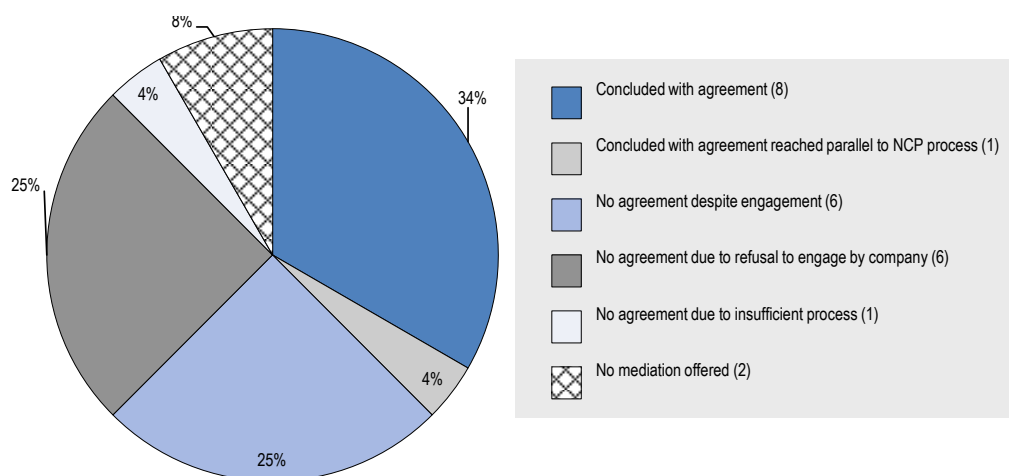
Overview and key outcomes of closed specific instances

A total of 38 specific instances were closed in this reporting period: 26 that were already in progress as of January 2016 and 12 new ones which were submitted during 2016. Closed specific instances refers both to concluded cases (those found to merit further examination after the initial assessment and subsequently finalised), and those that are not accepted (see Box 1). Of the specific instances in progress as of January 2016, 15 were submitted prior to 2015.

Out of the 38 specific instances closed in this period, 24 were concluded and 14 were not accepted.

Of the 24 concluded specific instances, 15 underwent mediation which in nine cases resulted in some form of agreement between the parties. Six of the 15 did not result in agreement despite the engagement of both parties in the process.

Figure 1. Outcomes of concluded specific instances



For the remaining nine concluded specific instances, mediation was refused by the company involved in six specific instances. Mediation was not offered in two concluded specific instances: in one specific instance because the same issues were being discussed in a parallel proceeding and in the second specific instance because it was not found to merit further examination but was reviewed independently by the NCP. One specific instance was concluded without agreement due to delays and insufficient process.

A summary of all specific instances closed in 2016 can be found in Annex 2.

Agreement between parties

Agreement was reached between the parties in nine specific instances accounting for 60% of all concluded specific instances where mediation occurred (15 specific instances). In one of these cases agreement between the parties was reached outside the specific instance procedure shortly after the conclusion of the specific instance. This case was handled by the Norwegian and Swedish NCPs and involved the construction of wind turbines which could interfere with traditional migration routes of the Sami reindeer-herding collective.⁶⁶ Several months after undergoing mediation at the Norwegian NCP an agreement was reached between the Sami collective and Statkraft, the enterprise building the turbines, which set out the preventative measures which will be taken to avoid the negative impacts to the traditional lands of the collective.

In some cases agreements reached among the parties included the development of a remediation plan, or changes to a company's operations and policies to mitigate impacts (see Box 2).

Box 2. Agreement reached through specific instance procedures

Starwood Hotels and IUF: In 2015 a specific instance was submitted to the US NCP by the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) alleging that Starwood Hotels had not observed the Guidelines with respect to discharge of workers and collective bargaining processes. Through mediation organised by the US NCP the parties reached an agreement and fully resolved some of the issues raised. The US NCP recommended that Starwood review their human rights policies and supplier code of conduct to make reference to recommendations on RBC in line with the Guidelines.⁶⁷

Kinross and Paracatu Association: In 2016 the Brazilian NCP concluded a specific instance brought by the Paracatu neighbourhood association claiming that the activities of Kinross had caused damage to houses near the mine in Paracatu. Several mediation sessions were organised by the NCP of Brazil after which the parties agreed that working with the local authorities, Kinross would finance the renovation of damaged homes or resettlement where necessary. The NCP also recommended that Kinross conduct due diligence processes that assess the effects of its mining activities, and establish a maximum distance between its mining operations and residential areas in Paracatu.

Improvements to company policy or operations

Nine (37%) specific instances reported as concluded in 2016 resulted in some changes to company policy or operations to better meet the recommendations of the Guidelines. These changes included strengthening corporate policies on human rights, improving due diligence processes, as well as improving reporting processes and transparency standards (see Box 3 for examples.)

Box 3. Changes to company policies through specific instance procedures

Etienne-Lacroix and Americans for Democracy & Human Rights in Bahrain (ADHRB): In September 2016, ADHRB submitted a specific instance to the French NCP concerning the export of security products to Bahrain by Alsetex, a French enterprise part of the Etienne Lacroix Group. At the end of its examination, the NCP found that Alsetex had not committed human rights violations in Bahrain. The NCP noted that Alsetex had put due diligence measures in place in a bid to identify, prevent and mitigate the risks associated with its products, but that it did not yet have a human rights policy, which is particularly important given its area of activity. An agreement was reached that the company will take additional steps to protect against the re-export of its products to countries with poor human rights records (e.g. through including punitive fines for countries that re-export Etienne-Lacroix products, as well as the termination of all business relations where a country re-exports such products multiple times).

Rabobank and Friends of the Earth: In 2014 a specific instance was submitted to the Dutch NCP alleging that Rabobank had not taken the appropriate steps to prevent or mitigate severe environmental and social impacts related to a palm oil plantation which was managed by Bumitama Agri Group (BGA), an entity partially funded by Rabobank. During the mediation Rabobank agreed to address the consequences of non-compliance with the requirement of free, prior and informed consent (FPIC) in the provisions of its palm oil policy, to modify its current approach to handling complaints, and to publish its complaints procedure, including a timeframe for the complaints procedure.

Role of investors

Several specific instances have demonstrated the important impact investors can have on encouraging positive outcomes in specific instances (see Box 4 for examples). Principles for Responsible Investment (PRI) and Aviva, one of the world's largest investment service providers, are embarking on a joint initiative aimed at engaging with companies that have been linked to adverse social and environmental impacts raised in specific instances.

Box 4. Investor engagement and NCP Specific Instances

Mylan pharmaceutical and Individual: In 2015 a specific instance was submitted to the Dutch NCP regarding Mylan, a pharmaceutical company, and human rights impacts associated with a sale of their product used for lethal injections in US prisons. Since the specific instance was first submitted Mylan has taken active steps to prevent rocuronium bromide from being used in US prisons for executions. In its final statement for the specific instance the NCP noted that “dialogue as well as disengagement by some [investors] appear to have contributed to improvements in Mylan’s conduct.”

The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) trade union took steps in 2016 to introduce a shareholder resolution at seven US companies urging them to participate in mediation processes to remedy human rights violations including through NCPs. Those targeted included companies that had declined to participate in mediation offered by the US NCP at an earlier stage.

Interpreting the Guidelines: What is an MNE?

In 2016 several specific instances required tackling the complex issue of which entities may be considered multinational enterprises for the purposes of the application of the Guidelines. The Guidelines provide that “[a] precise definition of multinational

enterprises is not required for the purposes of the Guidelines.”⁶⁸ In response to a request for clarification on this issue by the Swiss NCP in 2005 the Chair of the Investment Committee emphasised that these questions should be considered on a case-by-case basis as flexibility is required when considering the application of Guidelines.⁶⁹

In 2016, several NCPs considered the application of the Guidelines to an Export Credit Agency, an international sports association, and an international non-profit organisation. In analysing these relationships NCPs have looked at the nature of the entity and its activities (see Box 5 for examples).

Box 5. What is an MNE under the Guidelines?

Atradius Dutch State Business (ADSB) and Both ENDS: In 2015 the Dutch NCP received a submission alleging that ADSB, the official credit insurance agency of the Netherlands, had not observed the Guidelines. The allegations related to the provision of export credit insurance on behalf of and for the account of the Dutch State with respect to dredging projects in Brazil. In its initial assessment, the NCP considered ADSB to be a multinational enterprise under the Guidelines. ADSB and the Dutch Ministry of Finance responded by stating that they do not consider ADSB to be a multinational enterprise under the Guidelines but agreed to engage in mediation which resulted in agreement on some points between the parties.

World Wide Fund for Nature International (WWF) and Survival International: The Swiss NCP received a submission from the NGO Survival International alleging that WWF had not observed the Guidelines by failing to conduct due diligence and by not making its support for the demarcation of protected areas conditional upon the free, prior and informed consent of the Baka people of southeast Cameroon. In deciding whether WWF could be considered a multinational for the purpose of the Guidelines the Swiss NCP noted in its initial assessment that the key question should be whether an entity is involved in commercial activities, independently of its legal form, its sector of activity or its purpose (profit or non-profit).²

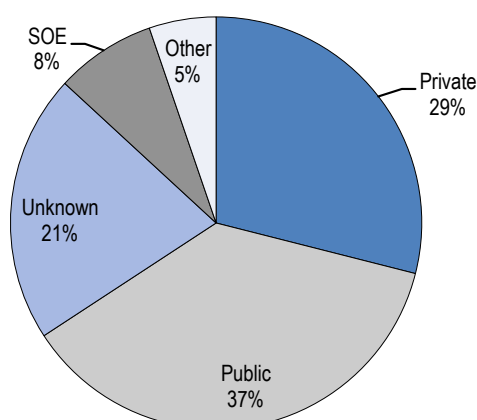
FIFA and Americans for Democracy and Human Rights in Bahrain (ADHRB): In 2016 the Swiss NCP considered a submission by ADHRB alleging that FIFA had not observed the Guidelines by allowing an individual to stand for candidacy in the FIFA presidential election without first carrying out adequate due diligence regarding human rights. The NCP did not accept the submission in part because the activities mentioned in the submission were not of a commercial nature and therefore the NCP found that the Guidelines were not applicable to this specific case.³ In another specific instance concerning FIFA regarding working conditions, the Swiss NCP accepted the case for further examination, noting that the relevant activities were of a commercial nature and it is currently under review.

Type of companies involved in specific instances

The 38 specific instances which were closed in 2016 involved primarily large enterprises (defined as companies employing over 250 employees).⁷⁰ No small or medium-sized private enterprises were involved in specific instances although two small state-owned enterprises (SOE) were.

Companies subject to specific instances were mostly publically listed entities representing 37% (14 specific instances) of all closed specific instances, followed closely by privately held companies (29%) (11 specific instances). Three of the specific instances involved SOEs and two involved other entities such as a sports association (FIFA) and government agencies. Information on the identity of 21% of the companies (eight specific instances) is unavailable as their names were kept confidential in final statements or final statements have not been published yet (see Figure 2).

Figure 2. Type of companies involved in specific instances in 2016



Seven specific instances closed in this period involved Fortune 500 companies.⁷¹ The headquarter locations of companies involved in specific instances include 16 countries (see Table 3).

Table 3. Known headquarter locations of companies involved in in specific instances closed in 2016

France	4	Canada	1
United States	4	Denmark	1
Germany	3	Ghana	1
Netherlands	3	Israel	1
Switzerland	3	Japan	1
Mexico	2	Korea	1
New Zealand	2	Norway	1
Belgium	1	United Kingdom	1

Final statements

The Procedural Guidance of the Guidelines provides that NCPs will "at the conclusion of the [specific instance] procedures and after consultation with the parties involved, make the results of procedures publically available [...]"⁷²

Final statements can be an important tool regardless of whether cases are accepted for further examination as inclusion of recommendations and determinations can help enterprises better understand the Guidelines and what steps they can take to better observe them. Recommendations can be made by NCPs on the implementation of the Guidelines. In particular if the parties fail to reach agreement or if the NCP finds that one or more of the parties to the specific instance is unwilling to engage or to participate in good faith the NCP will make recommendations as appropriate in the public statement. Determinations can be made by NCPs to indicate that a company has not fulfilled the recommendations of the Guidelines.

Final statements were published for 34 of the 38 (89%) cases that were closed in 2016. A final statement was published in 22 of the 24 (92%) cases that were concluded in 2016. Final statements were published for 12 of the 14 (86 %) specific instances not accepted for further examination.

Of the 22 final statements published for concluded cases, 13 (59%) included recommendations.⁷³ Recommendations are especially useful in cases where parties have not been able to engage or come to a resolution. Determinations of whether an enterprise observed or did not observe the Guidelines were included in seven of the 22 final statements (32%).⁷⁴

Follow up

Following up on specific instances can be a valuable exercise in ensuring agreements reached through specific instance proceedings are implemented and in tracking other outcomes of specific instances proceedings. (See Box 6) In 2016, the NCPs of France, the Netherlands, the United Kingdom and the United States conducted follow-up of specific instances. In addition, the NCPs of Brazil, Denmark, Sweden and the United Kingdom noted in their annual reports to the OECD that they planned to follow-up on certain specific instances concluded in 2016.

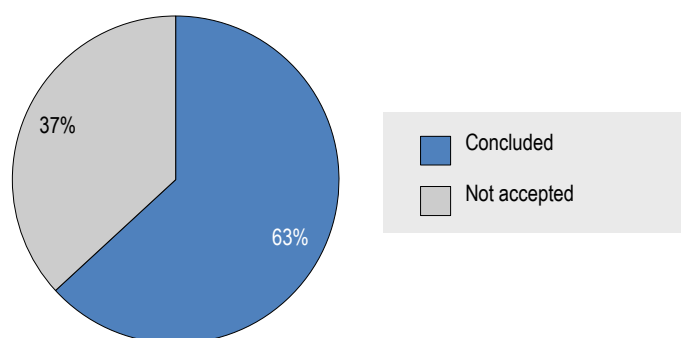
Box 6. Follow up in specific instances

In 2013 the French NCP concluded a specific instance involving the Michelin Group after there was a breakdown in dialogue amongst the parties and the submitting party withdrew their participation. Despite this, the NCP published a statement with recommendations to Michelin and committed to engaging in follow up. Since the end of 2013, Michelin has sent regular updates to the NCP on the actions it has taken regarding the NCP's recommendations, and also consulted with the NCP on certain matters. The NCP adopted an initial follow-up statement in May 2014 reporting on the measures taken by the Michelin Group in response to recommendations, notably the launch of the impact assessment studies and the actions taken to strengthen dialogue with its stakeholders at the group's level. The NCP released a final follow-up statement in February 2016 noting Michelin's action and implementation of all recommendations put forth by the NCP. In addition to having corrected the failings reported to the NCP, the Michelin Group entirely overhauled its CSR approach, set up a suitable due diligence system and made a solid commitment in respect of its supply chain for agricultural commodities.

Specific instances not accepted for further examination

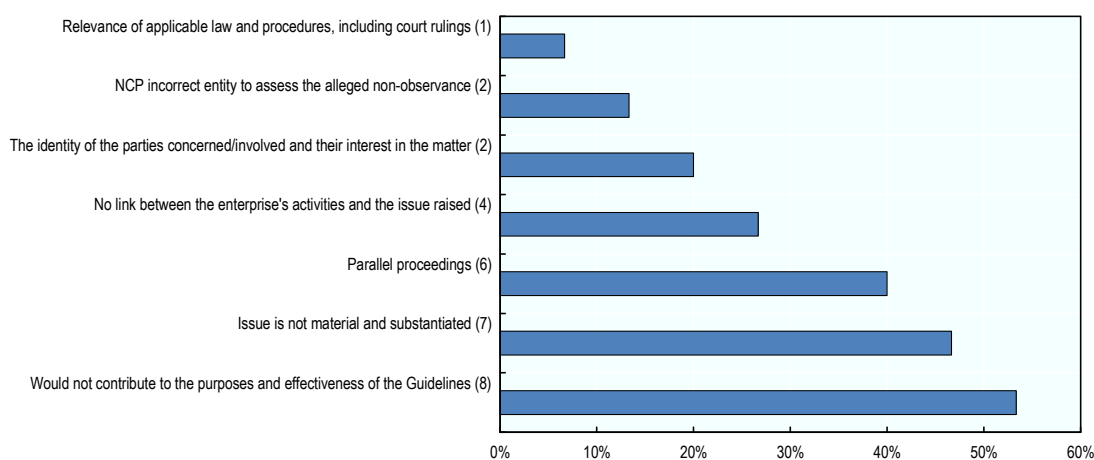
As noted above, 37% (14 submissions) were not accepted for further examination. This rate is at the higher end of historical rates of non-acceptance which have been between 25% and 40% since 2001⁷⁵ (see Figure 3).

Figure 3. Type of companies involved in specific instances in 2016



The main reason for not accepting specific instances in 2016 was that consideration of the issue would not contribute to the purpose and effectiveness of the Guidelines. This reason was cited in 53% of not accepted specific instances. These included cases that raised issues which were not covered by the Guidelines, where the issues dated back several years, where the dispute was already adjudicated, or where a submitter was seeking a specific type of remedy not available under the NCP mechanism. A lack of materiality and substantiation was the second main reason for not accepting a specific instance (see Figure 4).

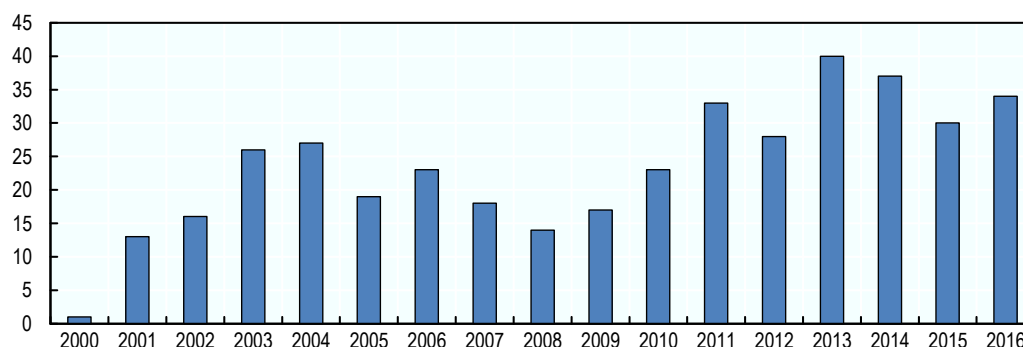
Figure 4. Type of companies involved in specific instances in 2016



Overview and trends of new specific instances in the reporting period

A total of 34 new specific instances were submitted to NCPs in 2016 compared to 52 reported in the last reporting cycle.⁷⁶ The larger number of specific instances in the last reporting period can be explained by the fact that it covered 18 months, instead of 12. The 34 new cases received in 2016 broadly aligns with general rates of submission since 2000 (see Figure 5).

Figure 5. Number of specific instances submitted annually 2000-2016



Of the 34 new specific instances submitted, the following trends were noted:

- **Sector:** The financial sector continues to be the most frequently cited sector for specific instances for the second year in a row accounting for over 20% of all new submissions.
- **Chapter:** The chapter on human rights continues to be the most cited Guidelines chapter in specific instances in line with historical trends. This year the chapter is more prevalent than in previous years.
- **NCPs:** This year saw several specific instance submissions to NCPs which have previously had no, or few cases, including four cases submitted to the NCP of Italy, two to the NCP of Colombia, two to the NCP of Morocco and one to the NCP of Latvia (see Table 4).

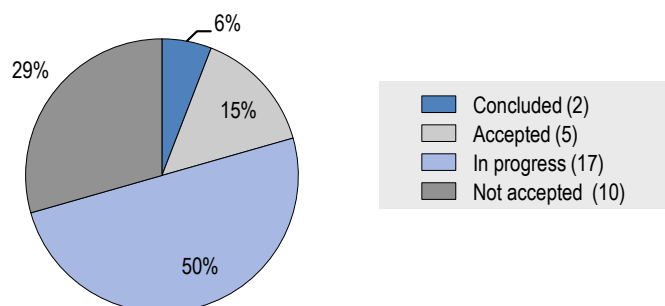
Table 4. Number of specific instances received by NCPs in 2016

NCP	Number of specific instances received	NCP	Number of specific instances received
Canada	4	Argentina	1
Italy	4	Australia	1
United States	3	Finland	1
Belgium	2	France	1
Colombia	2	Germany	1
Japan	2	Latvia	1
Morocco	2	New Zealand	1
Netherlands	2	Norway	1
Switzerland	2	Spain	1
United Kingdom	2		

At the end of 2016, the 34 specific instances submitted during this reporting period covered all stages of the specific instance process: two had been concluded, five were accepted for further examination after initial assessment, ten were not accepted for further examination and 17 were still in progress and had not yet undergone initial assessment (see Figure 6).

Nine specific instances submitted in 2016 are being handled with the help of supporting NCPs. This is comparable to the last reporting cycle.

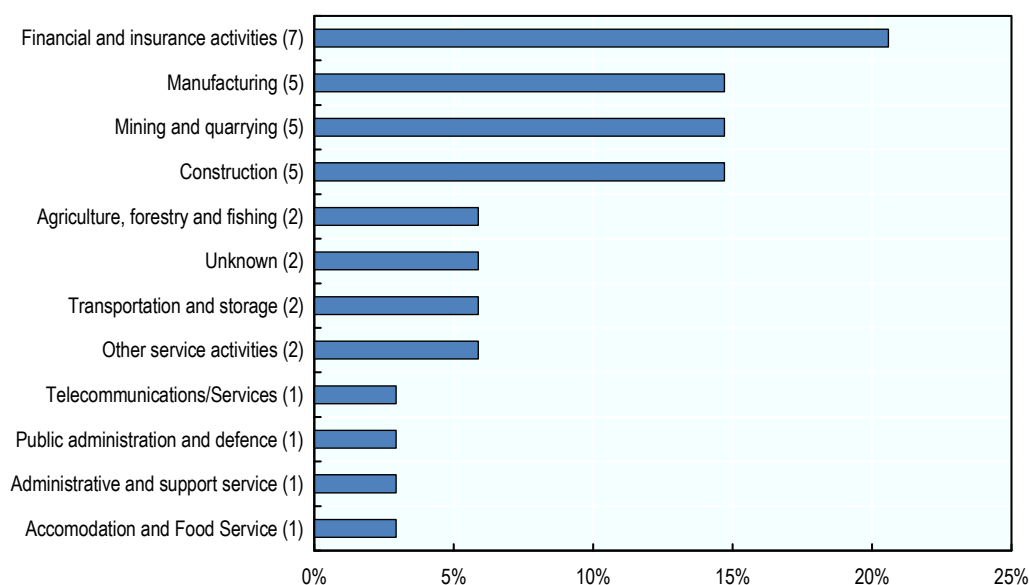
Figure 6. Status of specific instances submitted during 2016



Specific instances by industry sectors

As noted above, in 2016 most specific instances related to financial and insurance activities (seven cases) which accounted for about 20% of all specific instances submitted. The financial sector is followed by manufacturing (five cases), mining and quarrying (five cases), and construction (five cases) each representing about 15% of cases (see Figure 7).

Figure 7. Specific instances by industry sector in the 2016

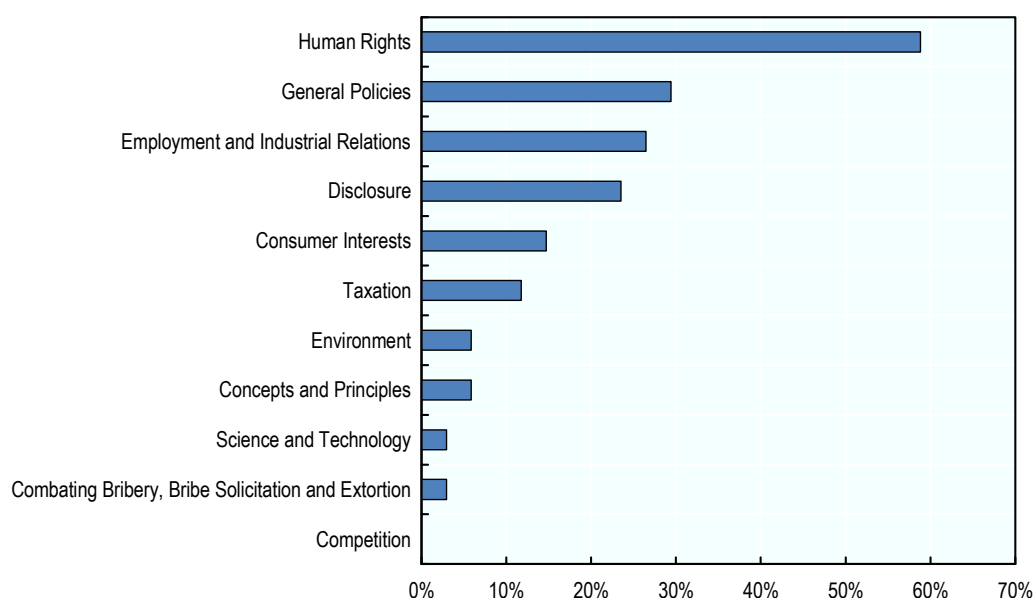


Chapters of the Guidelines cited in specific instances

The chapter on human rights was the most frequently cited chapter in this reporting period, referenced in 19 specific instances, representing 59% of all specific instances submitted. This is an increase from the last reporting period where human rights was also the leading theme referenced but accounted for 35% of the specific instances. The large number of specific instances referencing the human rights chapter is consistent with trends since the 2011 update of the Guidelines at which time the human rights chapter was added.

The next most frequently cited chapters were those on general policies and employment and industrial relations. The chapter of the Guidelines not cited in any specific instance during this reporting period was the one on Competition, which was likewise not referenced during the last reporting period either (see Figure 8).

Figure 8. **Specific instances by Guidelines chapter in 2016**



Eleven specific instances submitted in 2016, raised issues around insufficient due diligence processes. Stakeholder engagement practices were raised as an issue in three specific instances during this time period. Six specific instances raised issues involving inadequate remedy for impacts caused by an enterprise. As 17 specific instances submitted during 2016 are still in progress and NCPs have yet to issue statements regarding some of these, information on issues covered was not available for 13 specific instances.

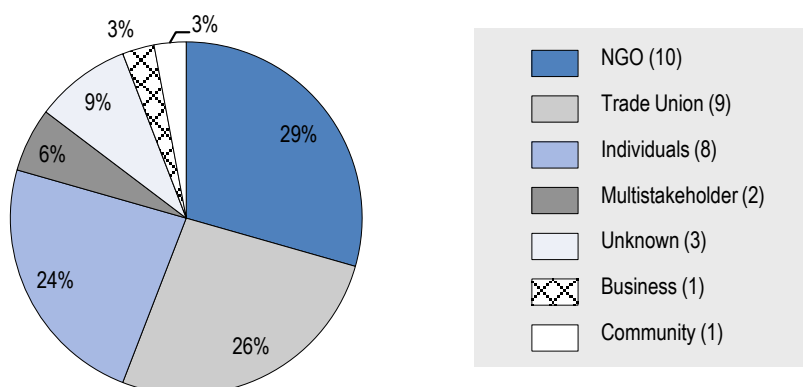
Host countries

13 of the specific instances submitted in 2016 address issues arising in non-adherent countries and 13 address issues arising in adherent countries. Information on the remaining eight specific instances is not available at this time as they are in progress.

Submitters of specific instances

As in previous years, NGOs have continued to be the primary users of the NCP system. In the past reporting period their share of submissions was 29% (ten cases), lower than historical trends where they have accounted for approximately 50% of all submissions. Trade unions accounted for 26% of submissions (nine cases) and individuals for eight cases. In this period two specific instances were submitted by multi-stakeholder consortiums and one was submitted by a local community. One specific instance was submitted by a company against state actors and was not accepted at the initial assessment stage (see Figure 9).

Figure 9. Submitters of specific instances in 2016



Duration of procedures

For eight of the specific instances submitted in 2016, the time period for the initial assessment lasted over six months. An additional nine specific instances had initial assessment processes which lasted over three months. Together these account for half of all specific instances submitted in this period.

There were 11 specific instances concluded in 2016 and submitted prior to 2016 for which the NCP completed the initial assessment in over six months; in seven of these cases the initial assessment was completed after 12 months.

The Procedural Guidance provides an indicative timeframe for the initial assessment of three months.⁷⁷ NCPs have identified completing specific instances in this time period as a challenge. On the other hand, stakeholders have identified long initial assessment periods as a shortcoming of the specific instance mechanism and have expressed that completing this process sooner would make the system more impactful and effective.

With regards funding for specific instance activities, 31 NCPs reported having access to funds for handling specific instances during the year.

Procedures for handling specific instances

By the end of 2016, 33 NCPs reported having rules of procedure for specific instances available online. Of the 13 that do not have published rules of procedure 12 have not closed a specific instance between 2011 and 2016, and one (Sweden) has (see Annex 3).

Confidentiality

Of the 33 NCPs with publically available rules of procedure, 30 have provisions on confidentiality. Three do not have provisions on confidentiality.⁷⁸ Six NCP rules of procedure include a provision that if their confidentiality provisions are breached, the specific instance procedures may be suspended.⁷⁹ Beyond rules of procedure some NCPs such as Norway, Denmark and the United States use mediation agreements for specific instances which include confidentiality provisions. Such agreements establish the ground rules and conduct the parties will be expected to follow during the mediation.

The relationship between confidentiality and campaigning was a subject explored in detail during the November 2016 meeting of the National Contact Points. To support the discussion a scoping paper on confidentiality and campaigning in specific instances was developed by the OECD Secretariat.⁸⁰ The paper will be revised based on inputs provided by NCPs and other stakeholders and will seek to identify practical ways of promoting the core criteria of transparency among NCPs while protecting confidentiality where required in the context of specific instances.

Confirmation of receipt of specific instances

In 2016, 35 NCPs reported that they confirm receipt of specific instances submissions. Generally confirmation of receipt is done through email. Some NCPs such as Italy, France and Switzerland, include timelines for confirmation of receipt of specific instances in their rules of procedure.

Collecting feedback

A total of 21 NCPs reported that they request feedback from parties to a specific instance at the conclusion of the proceedings. NCPs did not specify the form that this feedback generally takes (formal survey, written submission, informal debriefing, etc.). Requesting and keeping a record of feedback from specific instances is valuable as outcomes of a specific instance proceeding can be difficult to quantify and capture. For example, specific instances can lead to stronger relationships and better engagement amongst companies and key stakeholders. They can also lead to agreements after the close of mediation by the NCP. Tracking and reporting party feedback, either at the close of mediation or at a later date, can be a good way to capture some of these outcomes as well as to learn where processes can be improved.

Mediation and dispute resolution

Eight NCPs reported using a professional mediator to help mediate specific instances in 2016. Some NCPs such as Switzerland use external mediators regularly to handle specific instances while others rely on NCP staff members to lead engagement. A total of 14 NCPs reported undergoing training on dispute resolution or problem solving in 2016.

NCP structure

As set out in the Commentary to the Procedural Guidance, NCPs should function in a visible, accessible, transparent, and accountable manner. These are known as the core criteria for functional equivalence between NCPs. The way in which NCPs are structured is a matter for individual governments, provided the core criteria are met.

Location of NCPs and ministries involved

Most NCPs are located in ministries responsible for economic affairs, including trade and investment. A total of 29 NCPs involve additional ministries in NCP activities, such as ministries in charge of economic affairs, business, trade, innovation, commerce and enterprises (24), foreign affairs (25), labour, employment and social affairs (23), environment and agriculture (21) and justice (14).

Four NCPs are structured as independent agencies (Denmark, Lithuania, Netherlands and Norway). An independent NCP is one whose members do not belong to a government administration, although it will generally be supported by a Secretariat based

in a government administration. Five NCPs (Jordan, Morocco, Peru, Portugal and Romania) are located in investment promotion agencies. Two NCPs (Poland and Slovak Republic) relocated out of Investment promotion agencies and moved into ministries of economy. More detail on location of NCPs and Ministries involved in NCP institutional arrangements is presented in Annex 4.

Internal reporting and accountability

As part of the core criteria for functional equivalence, NCPs are required to be accountable. One way to meet this requirement is through regular reporting to the government. In 2016, 29 NCPs reported to their respective governments, of those 29 NCPs, 9 NCPs also reported to their parliament.

Meeting attendance and reporting to the OECD Investment Committee

41 NCPs attended the meetings of NCPs in both June and November 2016. A total of 5 NCPs did not attend the meetings of NCPs in either June or November. In 2015 a total of four NCPs did not report to the OECD and in 2016, two NCPs did not report (Egypt and Tunisia).

Stakeholders as part of the institutional arrangements

Stakeholders may be formally integrated into the institutional arrangements of the NCP, meaning that they are either members of the NCP or present on advisory or oversight bodies. A number of NCPs involve stakeholder representatives in their activities. In 2016, 25 NCPs reported having trade union representation, 26 NCPs integrated representatives of the business community and 18 NCPs reported NGO representation.

Other collaboration with stakeholders may take place during stakeholder meetings, organised by NCPs to convene with trade unions, NGOs and the business community that are not part of the formal structure of the NCP. Over the course of 2016, 27 NCPs held meetings with stakeholders.

Oversight and advisory bodies

The involvement of different ministries and of stakeholders in the NCP activity is in some cases formalised through the establishment of advisory or oversight bodies. Advisory bodies can be consulted by the NCP on a range of activities and issues on which it provides advice, while oversight bodies have a monitoring role, for example on whether the NCP has followed its own rules of procedures. Both advisory and oversight bodies can include representatives from trade unions, NGOs, business and/or academia, along with representatives of other government ministries or agencies. They do not normally form part of the NCP and do not have decision-making power on accepting or concluding specific instances. In 2016, 18 NCPs reported having an advisory body and 5 NCPs reported having an oversight body. The roles and responsibilities of such bodies vary between NCPs.

NCP resources

Adherents are required to provide human and financial resources to their NCP to ensure it can meet its mandate of promoting the Guidelines and handling specific instances. Nonetheless, lack of resources is often cited as a barrier by both NCPs and stakeholders.

Table 5. Staff compositions of NCPs

NCP	Number of full-time staff	Number of part-time staff
Argentina		3
Australia		1
Austria	1	
Belgium	1	2
Brazil	1	
Canada	2	6
Chile		3
Colombia		1
Costa Rica		2
Czech Republic		2
Denmark	3	
Egypt	<i>No report</i>	
Estonia		
Finland	2	
France	1	1
Germany	1	2
Greece		2
Hungary	1	1
Iceland		
Ireland		1
Israel		3
Italy	2	2
Japan		7
Jordan		4
Korea	2	
Latvia		4
Lithuania		1
Luxembourg		1
Mexico	1	3
Morocco		3
Netherlands	3	
New Zealand		1
Norway	2	
Peru		2
Poland		3
Portugal		5
Romania		1
Slovak Republic		
Slovenia		1
Spain	1	2
Sweden		1
Switzerland	1	2
Tunisia	<i>No report</i>	
Turkey	6	
United Kingdom	2	1
United States	3	

Human resources

In 2016, 41 NCPs reported having either dedicated full-time or part-time staff, or both. A total of 19 NCPs reported having dedicated full-time staff. A total of 32 NCPs reported having part-time staff supporting the NCP. A total of 10 NCPs have both dedicated full-time staff and dedicated part-time staff. Of NCPs that do not have dedicated full-time staff, 22 reported having dedicated part-time staff and 3 NCPs⁸¹ reported having no dedicated staff. Table 5 provides a more detailed view on the staff allocation of NCPs.

A total of 22 NCPs reported that a full-time or part-time employee joined the NCP during the year (48%) and 18 NCPs reported having a full-time or part-time staff member leave (39%). Three NCPs reported having one staff member leave during the year and no new staff members join.

Financial resources

Table 6 shows more detailed information on the availability of financial resources for NCP activity.

Almost all NCPs reported that they were able to access funds to attend the NCP meetings at the OECD. Regarding promotional activities, 14 NCPs reported having a specific budget while 22 NCPs reported having funds allocated on an ad hoc basis when requested by the NCP. 65% of NCPs (30) reported having access to financial resources for organising promotional events. A total of 30 NCPs had access to financial resources to attend events organised by other NCPs, and 30 NCPs had means to join events organised by other stakeholders.

Table 6. Availability of financial resources for NCP activity

NCP	Funds available for:				
	Specific instances	Organising promotional events	Attending NCP meetings at the OECD	Attending events organised by other NCPs	Attending events organised by other stakeholders
Argentina			✓		
Australia	✓		✓		
Austria	✓	✓	✓	✓	✓
Belgium	✓	✓	✓	✓	✓
Brazil	✓		✓		✓
Canada	✓	✓	✓	✓	✓
Chile	✓	✓	✓	✓	✓
Colombia	✓		✓		
Costa Rica	✓	✓	✓		✓
Czech Republic	✓		✓	✓	✓
Denmark	✓	✓	✓	✓	✓
Egypt	No report				
Estonia		✓	✓		
Finland	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓
Greece	-	✓	✓		
Hungary		✓	✓	✓	

NCP	Funds available for:				
	Specific instances	Organising promotional events	Attending NCP meetings at the OECD	Attending events organised by other NCPs	Attending events organised by other stakeholders
Iceland	-				
Ireland	✓	✓	✓	✓	✓
Israel	✓	✓	✓	✓	✓
Italy	✓	✓	✓	✓	✓
Japan	✓		✓	✓	
Jordan	✓		✓		
Korea	✓	✓	✓		✓
Latvia	✓	✓	✓	✓	✓
Lithuania			✓	✓	
Luxembourg	✓		✓		
Mexico		✓	✓	✓	✓
Morocco	✓	✓	✓	✓	
Netherlands	✓	✓	✓	✓	✓
New Zealand	✓	-	-	-	✓
Norway	✓	✓	✓	✓	✓
Peru	✓	✓	✓	✓	✓
Poland	✓	✓	✓	✓	✓
Portugal	-	-	✓	✓	✓
Romania	-		✓	✓	✓
Slovak Republic		✓	✓	✓	✓
Slovenia		✓	✓		
Spain			✓		
Sweden		✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓
Tunisia	<i>No report</i>				
Turkey	✓	✓	✓	✓	✓
United Kingdom	✓	✓	✓	✓	✓
United States	✓	✓	✓	✓	✓
Total:	31	30	42	30	30

In 2016, the OECD Secretariat initiated new research to examine the various structures of NCPs. A total of 15 NCPs agreed to participate in the study and take part in interviews. The report will be published in 2017.

Promotion of the Guidelines

Part of the NCP mandate is to promote the Guidelines and to handle enquiries. In 2016, a total of 113 promotional events were hosted by NCPs.⁸² A total of 17 NCPs⁸³ did not host any promotional events compared to 22 NCPs in the last reporting period.

NCPs organised different types of events, ranging from training, official meetings with stakeholders, annual meetings, to larger conferences on topics such as due diligence and responsible supply chains and those specific to different industries such as the garment sector or mining.

The target audiences of the events organised and co-organised by NCPs include business representatives (in 71 events), government representatives and institutes for human rights (in 57 events), NGOs (in 56 events), trade unions (in 40 events), academic institutions and universities (in 34 events) as well as the general public, journalists and other NCPs.

In addition to organising events, 28 NCPs reported taking part in a total of 239 events organised by others, during which they participated in presentations, panels and discussions, contributing to promoting the Guidelines and the NCP. A total of 11 NCPs⁸⁴ did not organise nor participate in any promotional events in 2016 compared to 15 NCPs in the last reporting period. A detailed list of promotional events hosted by NCPs is presented in Annex 5.

In addition to holding and contributing to promotional events, NCPs use a variety of tools to promote the Guidelines. The Austrian NCP conducted a survey among the business community to measure awareness of the Guidelines and the NCP. The Canadian NCP supported responsible business initiatives in 31 Canadian missions in Latin America and the Caribbean, Asia, Africa and Europe. Promotional events were organised by the Chilean NCP on the *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector* and on the *OECD-FAO Guidance for Responsible Agricultural Supply Chains*. At the initiative of the German NCP, the Guidelines were featured in a press article in several newspapers explaining the role of the German NCP and the German National Action Plan on Business and Human Rights.⁸⁵

Improvements in the accessibility of information were seen in the translation into local languages of the Guidelines (Slovenia) and of OECD sector guidance publications (Chile and Poland).

A total of 25 NCPs reported having a promotional plan for 2017 setting out target audiences for promotional activities over the coming year.

NCPs also featured at the GFRBC in June 2016 where a dedicated session focused on NCP activities and drew attention to key findings in the report *Implementing the OECD Guidelines for Multinational Enterprises: The National Contact Points from 2000 to 2015*. Several NCPs were active participants in the GFRBC.

NCP involvement in the Proactive Agenda

In 2016 NCPs supported various projects under the proactive agenda. The NCPs of Canada, France, Italy and Sweden participated in the advisory group to the OECD project on RBC in garment and footwear supply chains and fed into development of the *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*. The NCPs of Canada, Switzerland, the United Kingdom participated in the advisory group to the OECD project on RBC in the financial sector and supported the finalisation of the paper on *Responsible Business Conduct for Institutional Investors*. The NCPs of Canada, Peru and Poland were active in promoting OECD recommendations on stakeholder engagement in the extractive sector through organizing or participating in events to promote the *OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector*. The NCPs of Belgium and Germany both organized events to promote the *OECD-FAO Guidance for Responsible Agricultural Supply Chains*. Finally the NCPs of Belgium and Peru organized events to promote ongoing activities under the OECD project on responsible mineral supply chains. (See Chapter 4 for more detail).

Accessibility of information (NCP websites)

Although there is no specific requirement on NCPs to create a website, it can help NCPs meet the core criteria of visibility and accessibility as websites generally serve as a main source of information about the NCP and its activities. NCP websites also serve as platforms for conveying information on the Guidelines, and explain the NCP's role and procedures. They can also be the main point of contact for raising enquiries and submitting specific instances.

A total of 43 NCPs have a website which presents the text of the Guidelines, information on the NCP and its mandate as well as an email address to reach the NCP directly. Of these, 33 NCP websites include the NCP's rules of procedures. A total of 33 websites present information on how to submit a specific instance and 28 present final statements of specific instances issued by the NCP since 2011. 18 NCP websites present information on upcoming events promoting the Guidelines. The detailed content of each NCP website is presented in Annex 6. In 2016, four NCPs created a website (Costa Rica, Greece, Luxembourg and Slovak Republic). Several NCPs revised their websites (Colombia, Czech Republic, Finland, Ireland, Israel, Poland, Spain and Turkey).

Three NCPs do not have a website in place on the Guidelines or the NCP (Egypt, Jordan and Tunisia).

NCP-hosted peer learning events

During the reporting period six NCP-hosted peer-learning events took place in Brazil, Finland, Israel, Italy, Hungary and Poland. Each event was developed by the host NCP with the support of the OECD Secretariat. They provided an opportunity for sharing good practice between NCPs and on several occasions included an outreach component with local representatives of institutional stakeholders and other international organisations, civil society, etc.

- On **16 February**, the Brazilian NCP hosted a one-day peer learning meeting with the Norwegian and United Kingdom NCPs, focusing on NCP processes.
- The Israeli NCP hosted a peer learning event on **20-22 March** in Jerusalem. 12 NCPs and the OECD Secretariat participated in a two-day capacity building workshop also organised by the NCP of Israel. Participants shared experiences on communication, promotion and handling of specific instances.
- On **25 August**, the Finnish NCP hosted a peer learning meeting for NCPs from Denmark, Finland, Norway and Sweden.
- The Italian NCP hosted a peer learning event for NCPs on **12-13 September** which brought together thirteen NCPs. The NCPs of Chile, France, Germany, Norway, Switzerland, the United Kingdom and the United States shared their experiences during sessions on promotional activities, initial assessment and follow-up activities.
- On **6 October**, as part of the event entitled "Responsible development – responsible business conduct, 40 years of OECD Guidelines for Multinational Enterprises, 20 years of Poland's membership in the OECD", the Polish NCP held an NCP peer learning session focused on disclosure and reporting which brought together seven NCPs.

- The Hungarian NCP organised a peer learning workshop on **17-18 November**, at the occasion of the Second Budapest Conference on RBC and the OECD Guidelines for Multinational Enterprises.

Action plan to strengthen NCPs

In 2016, the Investment Committee approved an OECD Action Plan to strengthen NCPs.⁸⁶ The Action Plan focuses on peer reviews and capacity building, peer learning and the development of tools to support NCPs in delivering their mandate. A calendar of peer reviews for 2016-18 was created. The peer review of the NCP of Belgium was presented at the June meeting of the NCPs and a summary of recommendations is included in Annex 7. In addition, the on-site visits for the reviews of Italy and Switzerland took place in 2016. Capacity-building missions took place to Jordan and Kazakhstan. Both missions focused on the development of an NCP and the role of RBC in the respective countries. Furthermore, a tool developed by NCPs for NCPs to support the creation of rules of procedure was shared and discussed at NCP meetings in 2016⁸⁷.

Canada, Italy, Germany and Switzerland provided voluntary contributions to support activities under the action plan. Furthermore, in December 2016 the Council as parts of its decision on the 2017-18 Programme of Work and Budget agreed to additional support for work on NCPs through a long-term reallocation.⁸⁸

Chapter 4

Due diligence to implement the Guidelines

Background

The OECD Guidelines for Multinational Enterprises call on businesses to conduct due diligence on their operations and throughout their supply chains to identify, prevent and mitigate actual or potential adverse impacts in relation to matters covered by the Guidelines (disclosure, human rights, employment and industrial relations, environment, combatting bribery, bribe solicitation and extortion and consumer interests) and account for how adverse impacts are addressed.

The expectation that businesses should carry out due diligence to address adverse impacts has grown considerably over the last years. The 2015 G7 Leaders Declaration⁸⁹ urged the private sector to engage in implementation of human rights due diligence in their supply chains. It also pledged to help SMEs develop a common understanding of due diligence and responsible supply chain management. Over the past two years expectations of due diligence with regard to environmental and social impacts are increasingly being incorporated in domestic legislation and policy (see also Chapter 2).

While due diligence is a crucial way for companies to demonstrate that they are doing business responsibly, the Guidelines – which apply to enterprises operating across all industry sectors - do not include detailed text on how due diligence should be carried out in practice. Given that specific challenges may arise when implementing them in various contexts and sectors, the OECD in 2009 began working on the sector-specific application of the Guidelines, starting with a programme on responsible supply chains of minerals from conflict-affected and high-risk areas. Recognising the success and effectiveness of focused multi-stakeholder collaboration, during the 2011 update of the Guidelines, Adherents called for the OECD to lead collaborative, demand-driven work with Members and non-Members, business, workers and civil society to implement the Guidelines in specific sectors or geographies.

Projects on (i) responsible mineral supply chains; (ii) stakeholder engagement in the extractive sector; (iii) responsible agricultural supply chains; (iv) responsible garment and footwear supply chains, and (v) RBC in the financial sector have contributed to redefining risk across industry sectors and global supply chains. This work marks a shift away from traditional commercial risk management to a more holistic approach that addresses risks of business impacts on society and the environment, with a view to promoting sustainable trade and investment. A new draft *Due Diligence Guidance for Responsible Business Conduct* across sectors was a major addition to the sectoral due diligence work in 2016. The draft Due Diligence Guidance draws from the body of work in the sector projects, which provide more detailed recommendations tailored to the specific risks in those sectors.

Highlights during the reporting period

1. The main breakthroughs in 2016 include:
 - The Council adopted the *Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector* on 13 July 2016. Under the Recommendation, adherents are encouraged to take measures to actively support the adoption of the due diligence framework for meaningful stakeholder engagement.
 - On 13 July 2016, the Council also adopted the Recommendation of the Council on the OECD-FAO Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas . The G7 Agricultural Ministers Meeting Declaration of April 2016 welcomed the OECD-FAO Guidance for Responsible Agricultural Supply Chains and encouraged companies to observe it.
 - The *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* was approved by the WPRBC on 24 November 2016 and the OECD Investment Committee on 14 January 2017.
 - The paper on *Responsible business conduct for institutional investors*, was unanimously endorsed by the multi-stakeholder Advisory Group to the project on Responsible Business Conduct in the Financial Sector in December 2016 and agreed by the WPRBC in January 2017 and the Investment Committee in February 2017.
 - The second revised draft of the *OECD Due Diligence Guidance for Responsible Business Conduct* was released for public consultation in December 2016; it is anticipated that the Guidance will be completed by the end of 2017.

Responsible mineral supply chains

Over the course of 2016 the OECD Secretariat has been engaged in a series of projects to reinforce the implementation of the OECD Minerals Guidance and support the expansion of its implementation into new minerals and geographies.

One of the central objectives of the OECD Minerals Guidance is to “help companies contribute to sustainable development and source responsibly from conflict-affected and high-risk areas, while creating the enabling conditions for constructive engagement with suppliers.”⁹⁰ By implementing the OECD recommendations on due diligence, companies in the minerals supply chain can avoid contributing to conflict and help address serious forms of human rights abuses. One project that is crucial for the integrity of the implementation programme going forward is measuring due diligence implementation of the OECD Minerals Guidance and results on the ground in conflict-affected and high-risk areas.

Alignment Assessment of industry programmes with the OECD Minerals Guidance

The OECD Minerals Guidance is used as the basis and benchmark by many industry initiatives created to ensure the responsible sourcing of minerals. To gauge the alignment, coherence and credibility of these initiatives - in particular at the smelter and refiner level - the OECD has initiated an assessment of:

- The alignment of industry programmes’ **standards and systems** with the OECD Minerals Guidance; and
- The alignment of the industry programmes’ **implementation efforts** with the OECD Minerals Guidance.

In mid-2016, the assessment tool and narrative methodology were published on the OECD website.⁹¹ The initiatives being assessed during the 2016/2017 pilot phase are: the Conflict Free Smelter Initiative (CFSI); the ITRI Tin Supply Chain Initiative (iTSCi); the London Bullion Market Association (LBMA); the Responsible Jewellery Council (RJC); and the Dubai Multi Commodities Centre (DMCC). The final report on the alignment of the five programmes with the OECD Mineral Guidance is scheduled to be published in 2017.

Supporting the implementation of the Guidance beyond gold, tin, tantalum and tungsten

The Informal Ministerial Communiqué on Responsible Business Conduct of 26 June 2014 underscored “the relevance of the OECD Due Diligence Guidance to all mineral supply chains” and called on “all stakeholders to broaden its application beyond the tin, tantalum, tungsten and gold supply chains”, putting a specific emphasis on the coal supply chain.⁹² To respond to this call by Members, the OECD Secretariat, with the support of an informal expert group including representatives of private sector, civil society organisations, and governments, and pursuant to the 2015/2016 work plan, has launched a project that intends to help enterprises exercise due diligence in mineral supply chains beyond tin, tantalum, tungsten and gold.

Recognising the difficulty of gathering the necessary information to initiate the due diligence process, the *OECD handbook on risks associated with production and trade of natural resources* intends to consolidate relevant information to help companies identify the risks of non-financial adverse impacts (as detailed in Annex II of the OECD Minerals Guidance) related to the production and trade of minerals and understand where they are most prevalent. It ultimately seeks to help companies prioritise when exercising mineral supply chain due diligence. The first version of this project will cover around 30 different mineral supply chains and should be released by the end of 2017.

Cooperation with China on cobalt supply chains

The OECD is also actively engaged in the promotion of the OECD Minerals Guidance in the cobalt supply chain. In April 2016, the Chinese Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters (CCCME) and the OECD organised a workshop on responsible cobalt, focusing on supply from the Democratic Republic of Congo, the role of upstream and downstream companies and social risks in the supply chain (notably the risk of the worst forms of child labour). As a result, CCCME and several multinational companies launched the Responsible Cobalt Initiative in November 2016 to address risks in the mining and processing of cobalt, building on the recommendations of the OECD Minerals Guidance and the *Chinese Due Diligence Guidelines for Responsible Supply Chains of Minerals*,⁹³ adopted in December 2015, and developed with the support of the OECD Secretariat.

In China, in addition to the programmes on cobalt, the OECD Secretariat participated in the China Gold Congress and was involved in preliminary discussions with Chinese authorities, in particular the Chinese General Administration for Quality, Supervision and

Inspections (AQSIQ) to discuss their ongoing efforts to standardise the OECD Minerals Guidance and integrate it into Chinese national standards for imports of tin, tantalum and tungsten (gold is planned to be included at a later stage).

Developing specific activities to tackle child labour risks in the minerals supply chain

The OECD Minerals Guidance identifies the worst forms of child labour as a serious human rights abuse associated with the extraction, transport or trade of minerals that companies should not tolerate, profit from, contribute to, assist with or facilitate in the course of doing business. Although the Guidance recommends that companies implement a supply chain due diligence risk framework in order to respect human rights, there is little detail available on how companies can conduct due diligence of the child labour-related risks. In this context, the OECD Secretariat has developed Practical Actions for companies to identify and address the worst forms of child labour in the minerals supply chain.⁹⁴ These Practical Actions, which are still in draft form and expected to be launched in 2017, do not represent new or additional recommendations to the OECD Minerals Guidance but explain in simple terms expectations already set out in the Guidance. The Practical Actions have benefited from feedback from the ILO, UNICEF, civil society, business practitioners and other expert stakeholders.

Connecting artisanal miners with international markets

One of the main areas of OECD's work in the responsible sourcing of minerals is to ensure that international standards do not marginalise workers of the informal sector. For the minerals sector, this means working on the formalisation of Artisanal and Small-Scale Mining (ASM). The OECD Minerals Guidance includes an Appendix calling on stakeholders to engage in legalisation and formalisation of artisanal mining. To further uptake of the specific recommendations of this Appendix by the global private sector, the OECD Secretariat released in 2016 a *Frequently Asked Questions on ASM*⁹⁵ which provides practical guidance and answers questions relating to the responsible sourcing of gold from artisanal and small-scale miners.

Supporting the EU institutions on the Regulation on responsible supply chains of minerals

The OECD Secretariat supports EU institutions by providing policy advice to ensure maximum alignment of the draft European Regulation on responsible supply chains of minerals with the OECD Minerals Guidance, on which the regulation is based. On 22 November 2016, the EU institutions reached an agreement on the final shape of the EU Regulation.⁹⁶ Brokered by the Commission, it will ensure sustainable sourcing for more than 95% of all EU imports of tin, tantalum, tungsten and gold, which will be covered by due diligence provisions as of 1 January 2021. The agreed framework carries clear obligations for the 'upstream' part of the minerals supply chain, including smelters and refiners, to source responsibly. The vast majority of metals and minerals imported into the EU will be covered, while exempting small volume importers from these obligations. In addition, the Commission will carry out a number of other measures - including the development of reporting tools - to further boost supply chain due diligence by large and smaller EU 'downstream' companies, i.e. those companies that use these metals and minerals as components in goods.

Cooperation with Colombia

On 1-2 December 2016, the Government of Colombia and the OECD co-hosted a regional workshop to exchange best practices around mineral supply chains in Latin America. The workshop attracted 210 participants from Colombia and the region (mainly Peru and Bolivia), embassy representatives from OECD Members, international organisations, local and international businesses, artisanal miners, civil society and indigenous representatives. The workshop demonstrated that the OECD work on responsible mineral supply chains aligns well with Colombian President Santos' priorities: peace, fiscal reform (including a focus on cracking down on informal economy and formalising/ legalising activities, such as artisanal mining) and OECD accession.⁹⁷

Engagement in West Africa

In West Africa, the OECD has initiated cooperation with the Liptako-Gourma Authority, a regional organisation grouping Burkina Faso, Mali and Niger, to foster transparency and RBC in regional gold trading networks. On 7-8 September 2016, the Secretariat also participated in an event organised by the Dubai Multi Commodities Centre in Accra, Ghana, to present the OECD Minerals Guidance to a West African audience.

Meaningful stakeholder engagement in the extractive sector

The OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector provides guidance to mining, oil and gas enterprises in addressing challenges related to stakeholder engagement. It offers extractive sector practitioners practical tools and approaches for managing risks and responding to challenges with the objective of promoting meaningful stakeholder engagement as an integral component of due diligence.

Adoption of a Council Recommendation

This Guidance was approved by the OECD Investment Committee in December 2015 and launched in May 2015. On 13 July 2016 the Council adopted the *Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector* was issued. The implementation of the Recommendation is subject to regular monitoring by Council.

Under the Recommendation, adherents are encouraged to:

- Take measures to actively support the adoption of the due diligence framework for meaningful stakeholder engagement set out in the Guidance;
- Ensure the widest possible dissemination of the Guidance and its active use by enterprises conducting exploration, development, extraction, processing, transport, and/or storage of oil, gas and minerals;
- Promote the use of the Guidance as a resource for stakeholders such as affected communities and civil society organisations;
- Regularly report to the Investment Committee on any dissemination and implementation activities.

Raising awareness and promoting meaningful stakeholder engagement

Two launch events were organised to celebrate the completion of the Guidance and raise awareness of its recommendations and approach. The first launch event was organised in Vancouver, Canada at the Canadian Institute on Mining Metallurgy and Petroleum (CIM) annual conference (2 May 2016) and was attended by over 50 participants including CEOs of extractive enterprises. The second launch event took place during the 10th Forum on Responsible Mineral Supply Chains in Paris (11 May 2016). During both events leading industry representatives and governments presented and strongly endorsed the Guidance.

In addition to these launch events, the Guidance was also promoted during events organised in Lima, Bogota, and Warsaw, where a Polish version of the Guidance was launched. The first technical training with respect to the recommendations in the Guidance was organised in Lima and attended by a group of 20 participants. A workshop co-organised with SOMO on *Responsible business conduct in the context of fluctuating metal prices* in Paris also provided an opportunity to discuss the implementation of the recommendations of the Guidance in challenging circumstances.

The Guidance is currently available in English, French, Spanish and Polish.

Responsible agricultural supply chains

The OECD together with the FAO developed the *OECD-FAO Guidance for Responsible Agriculture Supply Chains* (OECD-FAO Guidance), which targets domestic and foreign, private and public, small, medium and large-scale enterprises. It covers agricultural upstream and downstream sectors from input supply to production, post-harvest handling, processing, transportation, marketing, distribution and retailing.

Observing existing standards in responsible business conduct in the Agricultural supply chain

The OECD-FAO Guidance was approved in February 2016 and launched in March 2016. The G7 Agricultural Ministers communiqué of April 2016 welcomed the OECD-FAO Guidance and encouraged companies to observe the recommendations. On 13 July 2016 the Council adopted the *Recommendation of the Council on the OECD-FAO Guidance for Responsible Agriculture Supply Chains*. The implementation of the Recommendation is subject to regular monitoring by Council. Adherents are encouraged to:

- Promote the use of the OECD-FAO Guidance by enterprises operating in or from their territories;
- Take measures to support the adoption of the model enterprise policy and the five-step framework for risk-based due diligence along agricultural supply chains as set out in the OECD-FAO Guidance;
- Ensure the widest possible dissemination of the OECD-FAO Guidance and its use by various stakeholders;
- Report to the Investment Committee and the Committee for Agriculture on these activities.

Promoting the OECD-FAO Guidance

Since the launch of the OECD-FAO Guidance in March 2016, the OECD Secretariat has participated in a number of conferences and events to raise awareness of the Guidance with policy makers and promote its uptake by enterprises. The Guidance is now available in English, French, German and Spanish and will be available in Chinese in 2017. A pilot implementation programme with enterprises will be launched in June 2017. The pilot will aim to support enterprises in implementing the OECD-FAO Guidance and should serve as a voluntary, collective learning exercise. It will allow participating enterprises to learn by doing, proactively develop solutions to manage risks along agricultural supply chains and put appropriate due diligence processes in place.

Responsible garment and footwear supply chains

The OECD project on Responsible Supply Chains in the Garment and Footwear Sector aims to help companies implement the due diligence recommendations contained in the *OECD Guidelines for Multinational Enterprises* along the full length of the garment and footwear supply chain to avoid and address the potential negative impacts of their activities and supply chains. This project focuses on all risks in the sector under the OECD Guidelines, including those related to human rights, labour and employment, the environment and bribery and corruption.

A common understanding of due diligence in the garment and footwear sector

The *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* (Guidance on Garments and Footwear) was approved by the WPRBC on 24 November 2016 and the Investment Committee on 14 January 2017. This Guidance seeks to establish a common understanding of due diligence in the garment and footwear sector aligned with the Guidelines and is addressed to all companies. This includes but is not limited to raw material and fibre producers, material manufacturers and processors, components manufacturers, footwear and garment manufacturers, brands, retailers and their intermediaries. It is relevant for SMEs and large companies alike. This Guidance can also serve as a reference for sector-wide initiatives seeking to carry out risk-based due diligence through collaboration. Observance of this Guidance is voluntary and, as with all OECD due diligence guidance, is intended to help companies to source responsibly from higher-risk countries.

This Guidance was developed through a multi-stakeholder process with in-depth engagement from OECD Members and non-Members, representatives from business, trade unions and civil society. A multi-stakeholder Advisory Group, chaired by Germany and including representatives from the NCPs of Canada, France, Italy and Sweden, was established in March 2015 to support the development of this Guidance. This Guidance benefited from regular input of members of the Advisory Group and other experts, including during a public consultation held in February-March 2016. It was unanimously endorsed by the multi-stakeholder Advisory Group on 25 October 2016.

While the recommendations on this Guidance align with the Guidelines and build off of other sector guidance, this Guidance does have unique features relevant to the garment and footwear sector.

- **Modules on sector-risks:** These modules provide information on how companies can tailor their due diligence approach when addressing specific risks in the sector. Modules cover the following topics: child labour, sexual harassment and

sexual and gender-based violence in the workplace, forced labour, working time, occupational health and safety, trade unions and collective bargaining, wages, hazardous chemicals, water consumption and pollution, greenhouse gas emissions, bribery and corruption and the responsible sourcing from homeworkers.

- **Factors that may affect the nature and extent of due diligence:** This Guidance seeks to reflect the diversity and reality of the sector and provides specific recommendations on how companies can carry-out due diligence in light of their size, sourcing practices and circumstances. This does not change the expectation that companies apply due diligence, but it may affect how they implement it in practice.
- **Collaboration:** The Guidance recognises that many of the risks in the garment and footwear sector cannot be adequately addressed bilaterally between a single company and its suppliers. This is particularly the case with risks linked to upstream sourcing (e.g. sourcing of cotton) but is likewise true for risks of harms, such as forced labour, fire safety, electrical safety, etc. at manufacturing and textile production. The Guidance therefore encourages the sector to take a sector-wide approach within particular regions to address risks. It also encourages collaboration, where appropriate, in carrying out due diligence through multi-stakeholder initiatives, trade union partnerships, or at a sector-level.
- **Engagement with stakeholders:** The Guidance provides explicit guidance on when companies should engage with stakeholders, notably workers and trade unions, during the due diligence process. Stakeholders should be involved—meaning that they should actively participate in design and implementation—in the following due diligence processes: on-site supplier assessments; development of corrective action plans; verification, validation and monitoring of impacts; and the design of operational-level grievance mechanisms.
- **Purchasing practices:** The purchasing practices of retailers, brands and their buying intermediaries have been demonstrated to contribute to harmful impacts—such as excessive and forced overtime and low wages—in some cases. The Guidance is the first international instrument that applies due diligence to a company's purchasing practices.

Actively supporting the dissemination and implementation of the Guidance globally

In 2016 the OECD Guidance for Garments and Footwear has been promoted in several countries.

- On 6 December 2016 the OECD Secretariat organised a policy dialogue on due diligence in the garment and footwear sector in Cambodia in collaboration with the European Union and the Cambodian Ministry of Labour and Vocational Training. Approximately 80 participants from government, business, trade unions and civil society attended. The purpose of the meeting was to introduce the OECD Guidance for Garments and Footwear in the sector and discuss its practical application in Cambodia. The meeting included technical discussions on sub-contracting, purchasing practices, and traceability. The OECD is continuing

its discussion with the Ministry in Cambodia to consider a pilot project implementing the Guidance in Cambodia.

- During the official visit of the OECD Secretary-General to New Delhi, India on 10-11 December 2016, the Secretary-General met with Minister of Commerce Nirmala Sitharaman. The Secretary-General proposed a partnership to promote responsible investment in India's textile sector in the context of the 'Make in India' initiative and embark on a partnership with the Indian Ministry of Commerce to promote responsible investment in the textile sector in India, in-line with the 'Make in India' objectives and the OECD Guidance for Garments and Footwear. This partnership will seek to promote responsible investment in the textile industry in India while also seeking to identify and address human rights and labour abuses in the sector, notably in relation to freedom of movement and forced labour. This proposed partnership will be part of the OECD platform to implement the OECD Guidance for Garment and Footwear in 2017.

Alignment of sector standards with the OECD Guidance for Garments and Footwear

The OECD Guidance for Garment and Footwear encourages collaboration between industry actors and stakeholders as a means of implementing many aspects of due diligence. While one such aspect is the assessment of suppliers, duplication of on-site assessments creates a burden on suppliers without necessarily increasing the quality of information collected. Supplier assessments should provide information that helps an enterprise act - to prevent and mitigate harm in its supply chain - and should not take the place of ongoing monitoring in collaboration with stakeholders. Within this context, the OECD encourages the development of harmonised supplier assessments that lead to recognition across the industry, provided they align with international standards - including the Guidance for Garments and Footwear - and facilitate qualitative data gleaned from engagement with workers alongside other indicators.

To promote the alignment of sector standards with the Guidance for Garments and Footwear, the OECD is contributing to the Social & Labour Convergence project, an industry initiative that seeks to develop a simple, unified and effective industry-wide assessment framework for human rights and labour risks at garment and footwear manufacturing sites. This is intended to result in a standardised diagnostic tool and verification methodology for the industry to collect relevant assessment data, with the ultimate intent to replace current proprietary tools. In order to allow adoption at scale, the tool, verification methodology, and deliverables will be publicly available. The OECD is contributing to this project by providing input on the strategic direction of the project and by supporting its alignment with the OECD standards.

Responsible business conduct in the financial sector

The OECD project on Responsible Business Conduct in the Financial Sector aims to support enterprises in the financial sector in implementing the Guidelines for different types of financial service providers, building on their existing practices and reflecting the practical realities, regulations and special characteristics of the sector. In 2016 the first stage of this project was completed with the finalisation of a paper outlining due diligence approaches for institutional investors.

Defining due diligence approaches for institutional investors

On 20 December 2016 the paper on *Responsible business conduct for institutional investors*, was unanimously endorsed by the multi-stakeholder Advisory Group to the project on Responsible Business Conduct in the Financial Sector. This group includes representatives of leading global investment institutions as well as other financial service providers, asset owners, government representatives, international organisations and civil society groups.

This paper explains the application of the Guidelines in the context of institutional investors and outlines key considerations for institutional investors in carrying out due diligence. It represents a unique resource to investors seeking to comply with the Guidelines and to apply RBC-driven due diligence approaches. Such a resource will be particularly important as an increasing amount of specific instances are being handled which relate to the responsibilities of investors in the context of their investment portfolio.

The core of this paper describes the key components of due diligence and considerations for investors to implement the Guidelines and carry out due diligence. Each sub-section corresponds to a different step of the due diligence process or important processes to support due diligence, and provides a list of examples of recommended actions, adapted specifically to the context of investors. Each subsection also includes a description of how actions may vary in practice across asset owners and managers and across different investment classes and strategies. The paper also includes several annexes to provide additional background on 1) distinctions in terminology used in the Guidelines and in the context of institutional investment generally 2) common investment value chains 3) different investment strategies and asset classes.

Leading an awareness raising and consultation process

The paper on institutional investors benefited from a broad consultation process. An OECD Expert Working Session on Responsible Business Conduct and Investment was organised on 23 October 2015 in London to discuss and collect feedback on the first draft of this paper in which 43 experts participated. A second expert working session was organised on 23 February 2016 in New York City to discuss and collect feedback on the second draft of the paper in which 44 experts participated. A webinar was organised with signatories to the Principles for Responsible Investment (PRI) on 24 March 2016 to discuss the second draft of the paper which attracted over 80 participants. After each of these consultation sessions the OECD Secretariat integrated feedback from participants and experts into the draft.

In addition to managing to reach a common position on challenging issues in the final paper this process was integral to educating leading institutional investors and other financial service providers about the Guidelines and their importance and relevance to institutional investment. The process was also impactful in educating civil society, government representatives and NCPs about investment institutions and how they operate in practice and how these characteristics may impact their due diligence processes.

New Guidance - a common approach to due diligence for all sectors

While due diligence is a crucial way for companies to demonstrate that they are doing business responsibly, the Guidelines do not include detailed text on how due diligence should be carried out in practice. To facilitate conformity with expectations of

due diligence under international standards, such as the Guidelines and UNGPs as well as under new domestic obligations, the WPRBC agreed during its meeting on 8-9 December 2015 to develop a general guidance on risk-based due diligence for RBC, with the following benefits:

- A common approach to due diligence helps mainstream due diligence processes across business operations and facilitate RBC among diverse commercial actors.
- An international government-backed guidance for all sectors provides a common reference point on due diligence for business subject to various domestic obligations and international expectations and avoids a multiplication of different expectations.
- A common framework for due diligence makes the provisions of the OECD Guidelines more accessible to businesses seeking to apply the principles of due diligence across all of the relevant chapters of the OECD Guidelines.

Over the course of 2016, the OECD has worked with Adherents and institutional stakeholders to develop the draft *Due Diligence Guidance for Responsible Business Conduct*. A first draft was released for comments from Adherents and institutional stakeholders in May 2016, an in-person consultation meeting took place at the June 2016 GFRBC and a second revised draft was released for public consultation in December 2016. It is anticipated that the draft Guidance for all sectors will be completed by the end of 2017 (see also Box 7).

Approaches articulated under the draft Due Diligence Guidance draw from the various sector due diligence guidance, which provide more detailed recommendations tailored to specific contexts. The draft Guidance however is not intended to replace or modify existing sector-specific OECD guidance on RBC. Therefore where questions arise, enterprises are expected to use the guidance that provides more specific relevance to their operations or sector.

Box 7. Due diligence for responsible business conduct

Enterprises can create or be involved with:

- **Positive impacts** on society and contribute to sustainable development, for example through job creation, human capital development, raising investment and fostering innovation.
- **Adverse impacts** related to human rights, workers conditions, the environment, bribery, disclosure and consumers through their own activities or their business relationships.

Enterprises should maximise positive impacts and avoid adverse impacts. For this purpose, they are expected to carry out due diligence.

WHAT IS DUE DILIGENCE?

The process through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts. Enterprises should carry out due diligence as a way of meeting the recommendations of the *Guidelines*, building on existing systems that underpin their management of risks. What may be new about this approach is orienting these systems towards responsible business conduct:

Box 7. Due diligence for responsible business conduct (cont.)

- Expanding or reorienting their due diligence process to focus not only on risks to the enterprise, but also risks to the environment, to workers, to consumers, to people and their human rights and of unethical conduct.
- Identifying and managing not only risks associated with its *own operations*, but also the risks the enterprise may create or be involved in through *its web of business relationships*, for example through its supply chain.

CAPTURING THE “ESSENCE” OF DUE DILIGENCE

- Covers the different risk areas mentioned in the Guidelines: Disclosure; Human Rights; Workers and Industrial Relations; Environment; Bribery, bribe solicitations, and extortion; Consumer Interests.
- A risk-based approach, means that efforts should be proportional to risk; the potential and actual severity of impacts are the driving force to scale up or down due diligence.
- Prioritisation is crucial to identify the relative severity of RBC impacts and focus due diligence efforts.
- Systematic approach, involving on-going, proactive and reactive processes with a focus on progressive improvement.
- Nature and extent of due diligence varies according to company circumstances and the situation, such as the size of the enterprise, its sector, operating environment or market, business model, position in the supply chain, etc.
- Stakeholder engagement is used to involve those potentially directly or indirectly affected by its operations or business relationships.
- Collaboration with enterprises at a sector-wide level, workers, home and host governments, and civil society enhances due diligence.
- Providing for or co-operating in remedy for adverse impacts the enterprise “caused or contributed to” is an outcome of due diligence.

The draft Guidance is intended to help enterprises implement the Guidelines and meet expectations of their stakeholders by taking a more integrated approach to doing business responsibly. Enterprises will find familiar approaches contained in the Guidance, with explanations of how they can be expanded to work towards eliminating adverse impacts.

SUMMARY OF “KEY ACTIONS” TO PUT A DUE DILIGENCE PROCESS IN PLACE***1. Embed responsible business conduct into policy and management systems***

1. Devise and adopt an RBC policy (or combinations of policies) that provide guidance to staff and business partners and a clear signal to stakeholders and publish the RBC policy (or policies) to support transparency.
2. Embed the RBC policy into its enterprise culture, approaches and management systems to make sure it is rooted in the enterprise and is actually implemented as part of everyday business.
3. Assign accountability for RBC matters to senior management, and for public companies, assign board level responsibilities; complement this by assigning responsibility across relevant departments.

Box 7. Due diligence for responsible business conduct (cont.)

4. Develop management system(s) with internal controls that are commensurate with the RBC risks of its operations and operating contexts to integrate RBC into its everyday business processes.
5. Support implementation by providing adequate resources & training to staff, and as appropriate, business partners.
6. Incorporate RBC expectations and policies into supplier or other business relationships, including through contracts or other forms of written agreements with business partners.

II-A. Due diligence: Identify and assess adverse RBC impacts

1. Use a variety of tools/approaches to scope out and identify risks of harm on all matters covered by the Guidelines that may be likely to be in the enterprise's own operations and with its business relationships.
2. Use iterative processes to prioritise and hone in on RBC risks and impacts, moving from general areas of RBC risk to more specific RBC risks and impacts associated with its activities and its business relationships.
3. Assess whether those RBC risks or actual impacts would have the kind of adverse impacts covered by the Guidelines, by benchmarking against relevant laws and regulations and the Guidelines and assess the enterprise's relationship to the adverse impacts (i.e. cause, contribute or directly linked).
4. Repeat these processes on a regular basis, recognising that more complex an enterprise and/or the higher the RBC risks, the more in-depth these processes will need to be.

II-B. Due diligence: Prevent and mitigate adverse RBC impacts

1. Design response plans that are fit for purpose for the potential or actual RBC impacts and corresponds to the enterprise's involvement with the impact.
2. Prioritise responses as necessary, based on severity of the potential or actual impacts.
3. Use leverage with business relationships to prompt responses to potential or actual impacts.

II-C. Due diligence: Track performance

1. Develop or adapt systems to track how it is responding to RBC risks & impacts and monitor implementation of any management plan against established objectives, goals and timelines.
2. Seek to identify trends and patterns that highlight recurring problems and issues that have been missed.
3. Feedback lessons learned into improving due diligence and its outcomes in the future.

II-D. Due diligence: Communicate

1. Disclose timely and accurate information on all material matters regarding their activities, structure, financial situation, performance, ownership and governance as set out in the Guidelines and the OECD Principles of Corporate Governance, if applicable.
2. Disclose additional information set out in the Guidelines to improve understanding of the enterprise's operations.

Box 7. Due diligence for responsible business conduct (cont.)

3. Communicate with stakeholders to account for how the enterprise has addressed actual and potential adverse RBC impacts, adapting communication channels as necessary to stakeholders.

III. Provide for or cooperate in remediation when appropriate

1. Enable remediation for harms caused or contributed to, using a variety of avenues.
2. Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.

Chapter 5

Outreach and co-operation with partners

Promoting dialogue and deepening engagement on RBC with non-Adherents has been one of the top priorities of Adherents since the Guidelines were updated in 2011. Co-operation is maintained with a number of key countries, either through regional, country, or sector programmes. The GFRBC, established in 2013 with the purpose to strengthen international dialogue on RBC and contribute to the effective implementation of the Guidelines in a global context, has been a useful vehicle for advancing the global conversation on current and emerging issues on RBC. Other avenues for dialogue are the sector-specific forums and roundtables (e.g. minerals and textiles) discussed in Chapter 4.

In 2016, a focus on Asia was maintained and is expected to continue over the medium-term. RBC is now systematically integrated in OECD investment policy reviews (based on the Policy Framework for Investment), and the OECD institutional framework for how RBC is considered in relation to adherence to the OECD *Declaration on International Investment and Multinational Enterprises* and accession to the OECD was strengthened.

Highlights

Deepening co-operation on responsible investment with partners in Asia

The Investment Committee has been doing investment policy reviews (IPRs) since 1993. These demand-driven reviews are developed in close co-operation with governments of the countries in question; close to 30 countries have been reviewed up to date.⁹⁸ IPRs look at the interaction of different investment-related policy areas from a comprehensive and whole-of-government view in order to assess which reforms are necessary for improving the business and investment environment. The reviews are based on the Policy Framework for Investment (PFI), which was updated in 2015 through an intensive multi-stakeholder process, bringing together the practice, experience and lessons learned from a number of advanced, emerging and developing economies on what makes up a good investment environment.

The update of the PFI also included strengthening the chapter on RBC policies, which is of particular importance since it brings OECD investment instruments in alignment and reflects the expectations on RBC set out in the Guidelines and the UN Guiding Principles for Business and Human Rights. The chapter sets out the government's role in promoting and enabling RBC. Although RBC had been included as a topic in some IPRs prior to 2015, notably in the 2014 Investment Policy Review of Myanmar, the strengthened RBC chapter is a reflection of both the growing importance of the topic as related to globalisation and trade and investment and the increasing interest from the countries being reviewed to look at the impact of investment on sustainable and inclusive

development. The PFI reinforces the message that to the extent that governments provide an enabling environment for businesses to act responsibly and meet their duty to protect the public interest from potential adverse impacts of business activities, they are more likely to keep and attract sustainable investment with responsible investors who minimise the risks related to investments, and ensure broader value creation and sustainable development.

A chapter on RBC has been integrated in three IPRs in 2016, namely those of Viet Nam, Lao People's Democratic Republic (Lao PDR) and Cambodia.⁹⁹ The chapters describe initiatives on RBC; look at the elements of the policy framework that need to be addressed in order to create an enabling environment for RBC, levelling the playing field for responsible investors and protecting the public interest; and provide recommendations on specific reforms that could be beneficial in order to create an enabling environment for RBC. In addition to the already published reviews of Ukraine (2016) and Philippines (2016), these chapters represent a new body of work applying the strengthened PFI chapter on RBC in practice and building a new evidence base on RBC policies and the government role on RBC.

A central part of the IPR process is peer learning and experience sharing. IPRs generally involve several missions to the country, multiple meetings with relevant parts of the government and stakeholders, an inclusive and iterative report writing process (which includes wide stakeholder consultations), and visits from government officials to the OECD.

Three consultation workshops on RBC and the Guidelines were organised in the countries under review in 2016, in direct co-operation with authorities and relevant stakeholders (Vientiane, Lao PDR on 6 April 2016; Hanoi, Viet Nam on 13 April 2016; and Phnom Penh, Cambodia¹⁰⁰ on 26 October 2016). These events were an opportunity to discuss RBC with a wide range of government officials and raise awareness about RBC with other groups, such as businesses, workers organisations and civil society.

In the case of Cambodia, the OECD also organised on 6 December 2016 an event on due diligence in the garment and footwear sector to introduce the new OECD sector guidance and discuss its practical application in Cambodia (see Chapter 4). This is a good example of bringing together all the different facets of RBC work on a country-level.

Similar outreach activities also took place in Georgia. OECD and Georgia co-operate on several different policy areas, with co-operation on RBC starting in 2013. The *Responsible Business Conduct in Georgia*¹⁰¹ report was originally published in 2014 as part of the work stream under the Guidelines. In 2015, the government of Georgia requested an update of the publication in order to reflect the latest policy developments on RBC that were implemented in response to the 2014 publication. The OECD and the Ministry of Economy and Sustainable Development organised a multi-stakeholder workshop on 27 May 2016 on *Promoting Responsible Business Conduct in Georgia*, hosted by the Deputy Minister of Economy and Sustainable Development, in order to consult on the 2016 update of the publication and raise awareness about RBC among different government ministries and stakeholders. Further co-operation with Georgia on investment and RBC is envisioned.

Co-operation with China continued deepening, in particular as related to the implementation of the *Chinese Due Diligence Guidelines for Responsible Minerals Supply Chains*, which were set out in 2015 on the basis of the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-*

Risk Areas (Chapter 4). The OECD Secretariat hosted a secondee from the Chinese Academy of International Trade and Economic Co-operation, nominated by the government in order to share experience on RBC and learn more about the NCP system.

Supporting new Adherents to the Investment Declaration

Since 2015 particular emphasis has been placed on assisting candidate countries in line to be reviewed for adherence to the Declaration on International Investment and Multinational Enterprises (Declaration) to understand the full extent of their commitments on RBC as new Adherents. For example, importance has been given to ensure that new Adherents fully understand both the importance of an enabling policy framework for RBC, as well as the obligations related to implementing the Guidelines and setting up a fully functioning NCP that meets the core criteria set out in the Decision on the Guidelines. To that effect, the review of Ukraine in 2015 included an experience sharing component, such as the workshop with the Ukrainian government on RBC and NCPs¹⁰² and preparation of resource documents for the authorities. It also included a dedicated chapter on RBC in the review report itself, and RBC and the role of the NCP were discussed in a dedicated session during the in-person review with the Investment Committee.

This practice continued in 2016 with the adherence review of Kazakhstan. The OECD and the Ministry of Investments and Development (MID) organised a joint conference¹⁰³ on 29 June 2016, chaired by the Vice Minister, to share information with the Kazakh authorities and relevant stakeholders about RBC, the Guidelines, and the NCP mandate, structure, and core criteria, as well as how NCPs resolve issues in practice. Around 50 participants attended the workshop, representing different parts of MID, but also Ministries of Foreign Affairs, National Economy, Energy, Finance and representatives of all stakeholder groups. Representatives of MID and the Ministry of National Economy also attended the 2016 GFRBC and the Meeting of the National Contact Points on 7-10 June 2016.

Furthermore, in order to streamline the inclusion of RBC and NCP issues in the reviews by the Investment Committee – either for adherence to the Declaration or for accession to the OECD – the Investment Committee formalised the role of the WPRBC in 2016 in the process. The decision to do so was taken as one of the responses to the demands by Adherent governments and stakeholders to improve NCP functioning and functional equivalence and in recognition of the fact that demands on NCPs are likely to increase in the future considering their unique contribution to improving access to remedy globally. In addition to a dedicated chapter in the review report, at least one capacity-building event will be organised in-country during the review process for adherence. The WPRBC will also be providing its technical opinion to the Investment Committee, which may include recommendations for specific actions that the candidate country could be invited to take in light of the findings. These new procedures will apply to any new accession reviews as well as the ongoing ones of Costa Rica and Lithuania, and any new adherents as of 2017.

Widening adherence to the OECD Guidelines for Multinational Enterprises

The 2015 Ministerial Council Statement included a reaffirmation by Ministers of the importance of the OECD Declaration on International Investment and of non-Members adhering to it, encouraging wider adherence to the MNE Guidelines, and inviting the OECD to study options in that regard. In response to this mandate throughout 2016 the

OECD engaged in analysis and discussion of options to encourage additional adherence to the Guidelines including through increased outreach. These discussions are currently ongoing at the level of the Investment Committee with a view to identifying workable and effective approaches.

Continuing partnership and co-operation

The focus on Asia as priority for outreach will continue over the next three years, under a joint EU-OECD-ILO programme on responsible supply chains in Asia. In close co-operation with target country authorities and the ILO, the OECD will be working with five countries – namely China, Thailand, Viet Nam, Philippines, and Myanmar – and one Adherent – Japan – to promote RBC and responsible supply chains. Funded by the EU, this project will focus on labour rights, human rights, and environment and will include joint action in four areas, namely research, capacity building, outreach and events, and policy support. Additionally, it will allow for sharing of experiences on the ground as related to the Guidelines, particularly considering that Japan is an Adherent country and has extensive ties and business networks in most countries concerned. The EU-OECD-ILO project is scheduled to be launched in the second half of 2017.

Fourth Global Forum on Responsible Business Conduct

The GFRBC was launched in 2013 to strengthen international dialogue on RBC and to enhance the synergies between corporate responsibility instruments on all levels, including the Guidelines. The 2016 GFRBC, held on 8-9 June at the OECD in Paris, brought together over 750 participants from governments, businesses, trade unions, and civil society. The main themes of 2016 included: achieving actual impacts through better business practices, emerging issues in supply chains, and promoting a better contribution of the private sector to the achievement of SDGs. This chapter includes the highlights of the discussions: more details are available in the 2016 GFRBC Summary Report.¹⁰⁴

Building on the success of the policy session on National Action Plans organised together with the UN Working Group on Business and Human Rights in 2015, the 2016 GFRBC also included, for the first time, a High-Level Roundtable for Policy-Makers held on 7 June 2016. The Roundtable was attended by around 130 policy-makers who discussed challenges related to the design and effective implementation of RBC policies, such as the lack of political support, insufficient capacity and resources to design and implement RBC policies, concerns that RBC policies may affect competitiveness, lack of policy coherence, and others. The Roundtable provided a space for dialogue among policy-makers from Guidelines Adhering and non-Adhering countries and allowed participants to exchange experience and discuss ways to effectively design, promote and implement policies and instruments to promote RBC.

The following key messages emerged from the GFRBC 2016:

- A wide range of innovative actions on RBC, from policies aimed at addressing impacts throughout supply chains, voluntary agreements between governments and businesses to enhanced disclosure requirements and new engagement models that financial institutions and financial service providers are implementing in order to promote RBC among their clients, are evidence that RBC is increasingly relevant and is shaping the way business is done. This is good news. Additionally, the latest empirical evidence on the impact of RBC on business performance, such as improved financial returns, increased access to credit, employee retention,

and the costs of implementing due diligence and other RBC actions, is encouraging. Whether RBC criteria should be considered in measuring business performance is not a debate any longer, the question is rather how.

- However, much remains to be done. The cases related to human trafficking and modern slavery in global supply chains (e.g. on fishing boats, cocoa plantations, and cotton farms) that came to light in 2016 are a stark reminder of this fact. Responsibility follows impact and businesses need to accept responsibility for impact wherever it happens in their supply chain. Systemic solutions are needed for systemic problems and require collective action. Businesses cannot address issues like slavery alone.
- Policy action, accountability mechanisms such as the one provided by NCPs, and better and clearer data both at firm and country level can help scale up action on RBC. Transparency is needed from governments as much as it is from business. Relevant tax-related information needs to be shared and made accessible. Additionally, there is a need to establish a level-playing field between governments. This can be established through a global agenda. It is important for businesses to have standardised rules and confidence in the viability of the tax system.
- Many governments are leading by example. They can act as honest brokers to bring groups together, help launch multi-stakeholder initiatives, and push for international co-operation. It is important to ensure that those directly affected by adverse impacts in the global supply chains (particularly underrepresented voices from women, young people and indigenous peoples) have a seat at the table.
- Over the past 15 years, NCPs have shown their potential and provided results. Stakeholders voiced support for the NCP system and recognise it is in the interest of all for the mechanism to be fully functioning. Adequate resources and support from their governments are critical for NCPs to be able to fully function and meet their mandate. Governments should make NCPs a priority and increase the resources available to them.

Cooperation with other organisations

In addition to engagement with international organisations and partner countries, described above, OECD work on RBC also included cooperation with multi-stakeholder initiatives, such as the Mega-Sporting Events Platform for Human Rights (MSE Platform), a coalition of international and intergovernmental organisations, governments, sports governing bodies, athletes, unions, sponsors, broadcasters, and civil society groups. This cooperation included participation in the production of several papers on various aspects of human rights protection in the context of mega-sporting events, such as access to remedy and due diligence. This work, which is ongoing, helped to highlight the NCP system as one key mechanism for access to remedy, and to show the relevance of OECD sector due diligence guidance to e.g. sponsors of sports events.¹⁰⁵ The 2016 Global Forum on Responsible Business Conduct also included a special session on human rights and labour issues in mega-sporting events. This work forms part of broader work by OECD on sports, corruption and responsible business conduct.¹⁰⁶

Chapter 6

Measuring the impact of responsible business conduct

Following demand from delegates and stakeholders for more evidence on the impacts of RBC two projects were launched in 2016. The first project in collaboration with the School of International and Public Affairs at Columbia University developed a framework to measure the costs and benefits of due diligence for businesses. The second project, which is still on going, aims to arrive at a core set of indicators which stakeholders in the minerals supply chain can agree on to track due diligence efforts and results on the ground. Other efforts to promote understanding of measuring the impact of responsible business conduct included a session on *Measuring links between business performance and responsible business conduct* at the 2016 GFRBC, and the collection of evidence on the impacts of RBC on companies' performance included in the chapter on *Promoting sustainable development through responsible business conduct* in the 2016 OECD Development Co-operation report.

There is increasing evidence that acting responsibly is not just a matter of compliance but also has a win-win outcome: that sustainable supply chains and better financial performance can go hand in hand and that one can drive the other. A meta study conducted by Deutsche Asset Management and the University of Hamburg found that roughly 90% of studies looked at (2200 individual studies) find a nonnegative correlation between ESG and corporate financial performance. More importantly, the large majority of studies reports positive findings.¹⁰⁷ The positive ESG impact on corporate financial performance appears stable over time.¹⁰⁸ Likewise, a Harvard Business School study which tracked the performance of companies over 18 years, found that “high sustainability” companies, those with strong environmental, social and governance (ESG) systems and practices in place, outperformed “low sustainability” companies as measured by stock performance and in real accounting terms.¹⁰⁹ A 2016 study covering 8500 French enterprises noted there was a 13% difference in economic performance on average between enterprises that implemented responsible business conduct and those that did not. Businesses that work towards sustainable supply chains and put responsible practices in place thus seem to reconcile responsible management (towards clients, suppliers, and employees), respect for the environment and the requirement for competitiveness.¹¹⁰

Efforts to measure the costs and benefits of due diligence

Project with the School of International and Public Affairs at Columbia University

In 2016 the OECD Secretariat collaborated with the School of International and Public Affairs (SIPA) at Columbia University to develop a framework to quantify the potential costs and benefits of risk-based due diligence for responsible business conduct. The project used the framework on due diligence as recommended by the OECD sector

guidance. In the first phase, the SIPA team was tasked to carry out a literature review on the cost and benefits of applying RBC and due diligence in particular. Based on the results of the literature review, the team then attempted to develop a taxonomy and methodology to help assess the costs and benefits of applying due diligence in alignment with the due diligence framework proposed by the Guidelines. The framework was used to develop a draft survey that could be used to collect data on the costs and benefits of due diligence from companies.

This exercise showed that while costs can be fairly accurately apportioned to due-diligence and RBC activities in general, it is difficult to quantify the benefits of these activities. This is mainly due to the fact that it is challenging to establish one-to-one links between a specific RBC activity and a specific benefit or outcome. RBC activities tend to create multiple intermediate benefits, which are influenced or reinforced by other RBC measures. Isolating the effect of one activity from the other or the whole is extremely difficult. This challenge is heightened by the extremely heterogeneous nature of companies in terms of markets, organisational structure, and business models.

There is a possibility (contingent on resources and demand) to use the draft survey developed by SIPA students to test the effectiveness of the proposed methodology with a small group of companies. The idea is to ensure that the methodology is robust, and the survey can be utilised to collect data that can be analysed in a meaningful manner. Based on this data, the framework methodology could be used to build an empirical basis to inform further RBC standards and tools. The cost and benefit findings could also be used for outreach and engagement with industry and new markets.

Measuring results of mineral supply chain due diligence in conflict-affected and high-risk areas

The OECD embarked on a project to measure due diligence implementation of the Minerals Guidance and results on the ground in conflict-affected and high-risk areas. One of the central objectives of the Minerals Guidance is to “help companies contribute to sustainable development and source responsibly from conflict-affected and high-risk areas, while creating the enabling conditions for constructive engagement with suppliers.”¹¹¹ By implementing the OECD recommendations on due diligence, companies in the minerals supply chain can avoid contributing to conflict and help address serious forms of human rights abuses as defined in Annex II of the Minerals Guidance.

The Secretariat convened an informal working group on the margins of the 2016 OECD Forum on Responsible Mineral Supply Chains to discuss a framework and possible indicators for measurement of results on due diligence of minerals supply chains and the results on the ground in conflict-affected and high-risk areas. The informal working group is drawn from the over 500 members of the OECD implementation programme. Members of the group include government policy makers, business implementers, civil society as well as measurement experts from OECD, World Bank, EU, academia and development consultancies. The goal of the group is to streamline and align data collection to a common set of metrics which can be collected over a number of years by various organisations and entities. By having an agreed set of metrics, the OECD aims to ultimately draw on data from existing stakeholders to analyse data patterns. There will likely be a need to commission new data for areas where gaps exist or the quality and compatibility of the data is poor.

Measuring links between business performance and responsible business conduct

During the session *Measuring links between business performance and responsible business conduct* held at the 2016 GFRBC, panellists discussed the increasing body of evidence demonstrating the positive impacts of responsible business practices. Challenges such as measuring impacts beyond financial indicators, monitoring intermediary impacts on productivity, and understanding and accurately characterising externalities and tail risks were also discussed.

Some of the takeaways of the session were that the business benefits of RBC are increasingly recognised and the question is no longer about whether there is a positive correlation between business performance and RBC but rather what are its drivers and how can it be better measured. Panellists concluded that more thinking needs to be invested into how to reflect intangible impacts, such as the quality of relationships between business and local communities, in measuring the impact of responsible business conduct. It was also noted that it is important to develop a smart mix of regulatory and non-regulatory incentives for RBC. While there is some evidence that regulatory approaches can promote RBC there is also evidence that when more discretion is given to firms on how they meet policy objectives, these actions will be taken at a higher level of an enterprise and be more integrated.

Notes

1. Ukraine became the 47th Adherent to the OECD Declaration on Investment and Multinational Enterprises on 15 March 2017. This is not reflected in the current report, which covers activities and developments from 1 January to 31 December 2016.
2. Recommendation of the Committee of Ministers to member States on human rights and business (Adopted by the Committee of Ministers on 2 March 2016 at the 1249th meeting of the Ministers' Deputies), https://search.coe.int/cm/Pages/result_details.aspx?ObjectID=09000016805c1ad4
3. This Due Diligence Guidance is incorporated in the *Recommendation of the Council on the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. <http://dx.doi.org/10.1787/9789264111110-2-en>
4. Formal processes are those which are reflected in written procedures or systematically included in review processes, as opposed to ad hoc or informal consultation.
5. Specific instances **concluded** during the year are those that the NCP found to merit further examination after the initial assessment and that have subsequently been closed. Specific instances **not accepted** during the year are those that the NCP found **not** to merit further examination and that have therefore been closed.
6. This Due Diligence Guidance forms an integral part of the *Recommendation of the Council on the OECD-FAO Guidance for Responsible Agricultural Supply Chains*.
7. Intervention by M. Schekulin, Chair of the Investment Committee, at the OECD ILA SFDI Roundtable on 40 years of the OECD Guidelines for Multinational Enterprises held on 19 December 2016.
8. According to K. Tapiola (General Secretary of TUAC from 1978-1985 and Chairperson of the TUAC Working Group on MNEs and Globalization until 1996), evidence that multinational enterprises were involved in destabilising the democratically elected government of Chile brought international attention to the activities of multinational enterprises (OECD ILA SFDI Roundtable on 40 years of the OECD Guidelines for Multinational Enterprises).
9. OECD (2016) Widening Adherence to the OECD Guidelines for Multinational Enterprises, para. 15.
10. Intervention by R. Geiger (former Deputy Director of Financial and Enterprise Affairs), at the OECD ILA SFDI Roundtable on 40 years of the OECD Guidelines for Multinational Enterprises.
11. OECD (2016) Widening Adherence to the OECD Guidelines for Multinational Enterprises, para. 10.
12. Recommendation of the Council on the Policy Framework for Investment.

13. Other chapters concerned disclosure of information, competition, taxation, and science and technology, OECD: Guidelines for Multinational Enterprises (1976).
14. Recommendation of the Council on Principles of Corporate Governance.
15. Prior to 2004, the Investment Committee was known as the Committee on International Investment and Multinational Enterprises; Decision of the Council on Inter-Governmental Consultation Procedures on the Guidelines for Multinational Enterprises, 1976.
16. The case concerns an American company which refused to pay compensation to the 250 employees dismissed by its Belgian subsidiary upon bankruptcy. Following a submission by TUAC and the Belgian Government, the Investment Committee clarified that - without invoking the particulars of the case –“observance of the Guidelines should, in some instances, lead parents companies to assume certain financial obligations of their subsidiaries’ and considered these obligations as ‘good management practice’. See: Report by the Committee on International Investment and Multinational Enterprises on the Review of the 1976 Declaration and Decisions on International Investment and Multinational Enterprises, para. 42. See also: R. Blanpain (1977), *The Badger case and the OECD Guidelines for multinational enterprises*, Springer Science + Business Media: Dordrecht, the Netherlands.
17. OECD, Mid-term report by the Investment Committee on the 1976 Declaration and Decisions, 1982.
18. Second Revised Decision of the Council on the Guidelines for Multinational Enterprises, para. 1.
19. Salzman (2000), “Labor rights, Globalization and Institutions: the Role and Influence of the Organisation of Economic Co-operation and Development”, *21 Michigan Journal of International Law* 769, Michigan University.
20. The Decision of the Council on the Guidelines in 2000, also stated that “National Contact Points shall meet annually to share experiences and report to the Committee on International Investment and Multinational Enterprises” (CIME), par. 3 of I..
21. OECD (2016), *Implementing the OECD Guidelines for Multinational Enterprises: The National Contact Points from 2000 to 2015*, OECD Publishing, <https://mneguidelines.oecd.org/oecd-report-15-years-national-contact-points.pdf>
22. A number of provisions on their contribution to the proactive agenda [section II, para. 8] were added to the Decision on the Guidelines and the Procedural Guidance was revised to include more detail on NCPs, inter alia, on their institutional arrangements, information and promotion, and implementation of specific instances, but also on peer learning and coordination between NCPs.
23. See also the UN Security Council's call in 2003 to the OECD Members to promote responsible international business conduct in countries with weak governance, [www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1457\(2003\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/1457(2003))
24. OECD (2016), *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, OECD Publishing, Paris, OECD (2011), "Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas", in *OECD Due Diligence Guidance for Responsible Supply Chains of*

- Minerals from Conflict-Affected and High-Risk Areas*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264111110-2-en>
25. Principles for the Proactive Agenda.
 26. Decision of the Council on Inter-Governmental Consultation Procedures on the Guidelines for Multinational Enterprises (1976), para. 2.
 27. TUAC-BIAC-OECD Watch Joint Statement (2015), www.tuac.org/fr/public/e-docs/00/00/11/1C/document_news.phtml.
 28. R. Blanpain (1980), *The OECD Guidelines for Multinational Enterprises and Labour Relations 1976-1979*, Experience and review, Springer Science + Business Media: Dordrecht, pp.116-120.
 29. European Commission (2015), *Trade for all: Towards a more responsible trade and investment policy*, European Commission Publishing, p. 25.
 30. Recent examples include the EU-Canada Economic and Trade Agreement, the EU-Vietnam Free Trade Agreement and the EFTA-Georgia FTA (see Chapter on *Legislative and policy developments in support of the Guidelines* for more information).
 31. Ukraine became the 47th Adherent to the OECD Declaration on Investment and Multinational Enterprises on 15 March 2017. This is not reflected in the current report, which covers activities and developments from 1 January to 31 December 2016.
 32. 2015 Ministerial Council Statement, “Unlocking Investment for Sustainable Growth and Jobs”, para. 8.
 33. G20 Leaders’ Communique, Hangzhou Summit, 4-5 September 2016 www.g20.org/Content/DE/_Anlagen/G7_G20/2016-09-04-g20-kommunique-en.html?nn=2068780
 34. G20 Trade Ministers Meeting Statement 9-10 July 2016, Shanghai, Annex III Guiding Principles for Global Investment Policymaking, www.oecd.org/daf/inv/investment-policy/G20-Trade-Ministers-Statement-July-2016.pdf
 35. 2015 Ministerial Council Statement, “Unlocking Investment for Sustainable Growth and Jobs”, para. 13-14, www.oecd.org/mcm/documents/ministerial-council-statement-2015.htm
 36. 2016 Ministerial Council Statement “Enhancing Productivity for Inclusive Growth” Paris, 1-2 June 2016 www.oecd.org/mcm/documents/2016-Ministerial-Council-Statement.pdf
 37. Recommendation of the Committee of Ministers to member States on human rights and business (Adopted by the Committee of Ministers on 2 March 2016 at the 1249th meeting of the Ministers’ Deputies), https://search.coe.int/cm/Pages/result_details.aspx?ObjectID=09000016805c1ad4
 38. Id.
 39. EU (2016), European Parliament resolution of 5 July 2016 on implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility,

- www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2016-0298+0+DOC+XML+V0//EN
40. EU (2016), European Parliament resolution of 5 July 2016 on implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility,
www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2016-0298+0+DOC+XML+V0//EN
 41. ILO (2016): Decision on the eighth item on the agenda: Proposed modalities to review the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, Governing Body record of decisions, 24 March 2016,
www.ilo.org/gb/decisions/GB326-decision/WCMS_463215/lang--en/index.htm
 42. ILO (2017): Recommendations of the tripartite ad hoc working group concerning the review of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy text, annex and addenda and the interpretation procedure, GB.329/POL/7, 6 March 2017, www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_546496.pdf
 43. ILO: (2016): *Decent Work in Global Supply Chains*, International Labour Conference, 105th Session 2016, Report IV, International Labour Office, Geneva,
www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_468097.pdf
 44. ILO: (2016): *Report of the Committee on Decent Work in Global Supply Chains: Resolution and conclusions submitted for adoption by the Conference*, International Labour Conference, 105th Session 2016, Provisional Record 14-1, paragraph 23 (e)
www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_489115.pdf
 45. Id.
 46. ILO: (2016): Decision on the fifth item on the agenda: Follow-up to the resolution concerning decent work in global supply chains ILO programme of action 2017–21, Governing Body Record of decision, 10 November 2016, available at:
www.ilo.org/gb/decisions/GB328-decision/WCMS_534713/lang--en/index.htm

ILO: (2016): *Follow-up to the resolution concerning decent work in global supply chains (general discussion)*, GB.328/INS/5/1, 7 October 2016, available at:
www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_531660.pdf
 47. OECD (2016), *Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities*, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/dcr-2016-en>
 48. Other OECD instruments referenced are the Policy Framework for Investment and the G20/OECD Principles of Corporate Governance.
 49. European Commission, EU Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups,
http://ec.europa.eu/finance/company-reporting/non-financial_reporting/index_en.htm
 50. Proposition de Loi 1897 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre www.assemblee-nationale.fr/14/ta/ta0843.asp and

- www.assemblee-nationale.fr/14/dossiers/devoir_vigilance_entreprises_donneuses_ordre.asp
51. Id.
 52. SCCJ, (2016) "Swiss quality must include the protection of human rights and the environment" <http://konzern-initiative.ch/swiss-quality-must-include-the-protection-of-human-rights-and-the-environment/?lang=en>
 53. European Commission (22 November 2016) Press release: EU reaches landmark agreement on conflict minerals regulation <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1587>
 54. Agreement on Sustainable Garment and Textile (March, 2016) <https://www.ser.nl/en/publications/publications/2016/agreement-sustainable-garment-textile.aspx>
 55. Dutch Banking Sector Agreement on international responsible business conduct regarding human rights (October, 2016) <https://www.ser.nl/nl/publicaties/overige/2010-2019/2016/dutch-banking-sector-agreement.aspx>
 56. Id.
 57. OECD (2016) *Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence*, www.oecd.org/tad/xcred/oecd-recommendations.htm
 58. OECD Working Party on Export Credits and Credit Guarantees (2016) Review of Members' Responses to the Environmental and Social Survey [www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=tad/ecg\(2015\)17/final&doclanguage=en](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=tad/ecg(2015)17/final&doclanguage=en)
 59. The 13 Adherents to the OECD Guidelines who are not members to the ECG working group (Argentina, Brazil, Chile Colombia, Costa Rica, Egypt, Iceland, Jordan, Lithuania, Morocco, Peru, Romania, and Tunisia) have not previously reported taking NCP statements into account in the context of ECA reviews.
 60. Id.
 61. A paper developed by the OECD Secretariat in preparation for the 2014 informal ministerial meeting on RBC found that more than three quarters of recently concluded international investment agreements (IIAs) (i.e. between 2008 and 2013) contain language on sustainable development or RBC and virtually all of the investment treaties concluded in 2012 and 2013 include such language. Out of the 54 countries covered by the survey, 47 have included some language on sustainable development or RBC in at least one of their treaties. Kathryn Gordon (2014), Investment treaty law, sustainable development and responsible business conduct: a fact finding survey, www.oecd-ilibrary.org/finance-and-investment/investment-treaty-law-sustainable-development-and-responsible-business-conduct-a-fact-finding-survey_5jz0xvgx1zlt-en
 62. The Comprehensive and Economic Trade Agreement (CETA) between Canada and the European Union (2016) <http://ec.europa.eu/trade/policy/in-focus/ceta/ceta-chapter-by-chapter/>

63. EU-Vietnam Free Trade Agreement: Agreed text as of January 2016 (2016)
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>
64. Iceland, Liechtenstein, Norway and Switzerland.
65. Free Trade Agreement between the ETFAEFTA States and Georgia (2016)
www.efta.int/sites/default/files/documents/legal-texts/free-trade-relations/georgia/EFTA-Georgia-FTA-Main-Agreement.PDF
66. NCP of Norway (2012) Final statement: Statkraft and Jijnjevaerie Saami village,
<http://nettsteder.regjeringen.no/ansvarlignaringsliv-en/jijnjevaerie/>
67. Links to specific instances are available in Appendix 2
68. OECD (2011), *OECD Guidelines for Multinational Enterprises, 2011 Edition*, OECD Publishing, Chapter I: General Policies and Principles, para. 4,
<http://dx.doi.org/10.1787/9789264115415-en>
69. Letter of clarification to Swiss NCP from the Chair of the OECD Investment Committee.
70. The most frequent upper limit designating an SME is 250 employees. See OECD Glossary of Statistical Terms, "Small and Medium Sized Enterprises."
<https://stats.oecd.org/glossary/detail.asp?ID=3123>
71. Fortune 500 is a list compiled by Fortune magazine ranking the top 500 public corporations of the US as measured by their gross revenue. USPages.com, "Fortune500", www.uspages.com/fortune500.htm
72. OECD Guidelines for Multinational Enterprises (2011), Procedural Guidance, I. C(3).
73. Recommendations were made by the NCPs of Brazil, Denmark, France, Netherlands, Sweden, United Kingdom and United States.
74. Determinations were made by the NCPs of France, Denmark, Netherlands, Spain, Sweden and United Kingdom.
75. OECD (2016)), Implementing the OECD Guidelines for Multinational Enterprises: The National Contact Points from 2000 to 2015 www.oecd.org/corporate/mne/15-years-of-ncps.htm.
76. OECD (2016), *Annual Report on the OECD Guidelines for Multinational Enterprises 2015*, Chapter 2 <http://mneguidelines.oecd.org/2015-Annual-Report-MNE-Guidelines-EN.pdf>.
77. OECD Guidelines for Multinational Enterprises (2011), Commentary on the Implementation Procedures of the OECD Guidelines for Multinational Enterprises, para. 40
78. Chile, Colombia, and Denmark do not reference confidentiality in their rules of procedure.
79. These are the rules of procedure of Germany, Japan, Norway, Spain, Switzerland and the United States.
80. Scoping Paper: Confidentiality and Campaigning in Specific Instances.
81. The NCPs of Estonia, Iceland and Slovak Republic.
82. Between June 2014 and December 2015, a total of 112 promotional events were reported.

83. The NCPs of Argentina, Australia, Brazil, Chile, Czech Republic, Egypt, Iceland, Ireland, Jordan, Lithuania, Luxembourg, New Zealand, Romania, Slovak Republic, Slovenia, Spain and Tunisia.
84. The NCPs of Argentina, Australia, Egypt, Iceland, Ireland, Jordan, Luxembourg, Romania, Slovak Republic, Slovenia and Tunisia.
85. This article was written by the (former) German Minister for Economic Affairs and Energy, Mr. Sigmar Gabriel.
86. Information Update on National Contact Points .
87. Support Document – Draft for Consultation: Writing rules of procedure for handling specific instances.
88. 2017-18 Programme of Work and Budget Report by the Chair of the Budget Committee.
89. Leaders Declaration, G7 Summit, 7-8 June 2015:
https://www.g7germany.de/Content/EN/Anlagen/G7/2015-06-08-g7-abschluss-eng_en.pdf?blob=publicationFile&v=3
90. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition, p. 12.
91. Alignment assessment of industry initiatives with the OECD Due Diligence Guidance for Responsible Mineral Supply Chains: <http://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm>
92. <https://www.oecd.org/corporate/Ministerial-Communique-RBC-June-2014.pdf>.
93. Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains, launched in December 2015, available in English at:
https://www.globalwitness.org/documents/18138/201512_Chinese_Due_Diligence_Guidelines_for_Responsible_Mineral_Supply_Chains_-_En_K83fxzt.pdf
94. <https://mneguidelines.oecd.org/OECD-Practical-Actions-for-WFCL-in-Mining.pdf>.
95. (OECD, 2016), Sourcing Gold from Artisanal and Small-Scale Miners:
<http://mneguidelines.oecd.org/artisanal-small-scale-miner-hub.htm>
96. “EU reaches landmark agreement on conflict minerals regulation,”
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1587>
97. <http://mneguidelines.oecd.org/latin-american-workshop-on-responsible-mineral-supply-chains.htm>
98. www.oecd.org/investment/countryreviews.htm
99. Publication is expected in 2017.
100. <http://mneguidelines.oecd.org/IPR-Cambodia-Workshop-Agenda-2016.pdf>
101. www.oecd.org/daf/inv/mne/RBC-in-Georgia-2016.pdf
102. Workshop in Ukraine on responsible business conduct, 17 September 2015 - Kyiv, Ukraine. <http://mneguidelines.oecd.org/ukraine-rbc-workshop-2015.htm>
103. <https://mneguidelines.oecd.org/workshop-on-rbc-in-kazakhstan.htm>
104. Summary of the 2016 GFRBC, <http://mneguidelines.oecd.org/global-forum/GFRBC-2016-Summary.pdf>

105. Mega-Sporting Events Platform for Human Rights
<https://www.ihrb.org/megasportingevents>. The White Paper on "Remedy Mechanisms for Human rights in the Sports Context", featuring NCPs, is available at www.ihrb.org/uploads/reports/MSE_Platform%2C_Remedy_Mechanisms_for_Human_Rights_in_the_Sports_Context%2C_Jan_2017.pdf.
106. OECD (2016) Sports, corruption and responsible business conduct
<http://mneguidelines.oecd.org/sport-corruption-rbc.htm>
107. Even an earlier meta study that looked at 127 studies published between 1972 and 2002 found that almost half of the studies pointed to a positive relationship between corporate social performance and financial performance. Only seven studies found a negative relationship; 28 studies reported non-significant relationships, while 20 reported a mixed set of findings. Joshua D. Margolis and James P. Walsh. Misery Loves Companies: Rethinking Social Initiatives by Business Administrative Science Quarterly Vol. 48, No. 2 (Jun., 2003), pp. 268-305
108. Gunnar Friede, Timo Buschi and Alexander Bassen (2015) ESG and financial performance: aggregated evidence from more than 2000 empirical studies, Journal of Sustainable Finance & Investment, Volume 5, 2015 - Issue 4.
109. Eccles G.R., Ioannou I. Serafeim G. (November, 2011) "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance," Harvard Business School
110. Benhamou, S. and Diaye, M. (2016), Corporate Social Responsibility and Competitiveness. Evaluation and Strategic Approach.
www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/synthese-rse_en.pdf
111. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition, p. 12.

Annex 1

Overview of National Contact Points

						Stakeholder representation			Promotional activities of NCPs		Meetings and reporting				
NCP	Date of creation	Web-site	Procedures describing SI process online	Advisory body	Oversight body	Business	NGO	Trade union	# of NCP hosted events	# of promotional events NCPs participated in	Attended OECD NCP 2015 meeting	Attended OECD NCP meeting - June 2016	Attended OECD NCP meeting - Nov 2016	Reported in 2015	Reported in 2016
Argentina	2000	✓	✓	✗	✗	✗	✗	✗	0	0	✓	✓	✓	✓	✓
Australia	2000	✓	✓	✗	✓	✗	✗	✗	0	0	✓	✓	✗	✓	✓
Austria	2000	✓	✓	✓	✓	✓	✓	✓	3	1	✓	✓	✓	✓	✓
Belgium	2000	✓	✓	✓	✗	✓	✗	✓	4	2	✓	✓	✓	✓	✓
Brazil	2000	✓	✓	✓	✗	✗	✗	✗	0	2	✓	✓	✗	✓	✓
Canada	2000	✓	✓	✗	✗	✗	✗	✗	3	50	✓	✓	✓	✓	✓
Chile	2000	✓	✓	✓	✗	✓	✓	✓	0	7	✓	✓	✓	✓	✓
Colombia	2011	✓	✓	✓	✗	✓	✓	✓	4	4	✗	✓	✗	✓	✓
Costa Rica	2014	✓	✓	✗	✗	✗	✗	✗	1	3	✓	✓	✓	✓	✓
Czech Republic	2000	✓	✓	✗	✗	✓	✓	✓	0	6	✓	✓	✓	✓	✓
Denmark	2000	✓	✓	✗	✗	✓	✓	✓	5	4	✓	✓	✓	✓	✓
Egypt	<i>no report</i>	✗	✗	<i>no report</i>								✗	✗	✗	✗
Estonia	2001	✓	✗	✗	✗	✓	✓	✓	1	0	✓	✓	✗	✓	✓
Finland	2000	✓	✓	✗	✗	✓	✓	✓	7	1	✓	✓	✓	✓	✓

						Stakeholder representation			Promotional activities of NCPs		Meetings and reporting				
NCP	Date of creation	Web-site	Procedures describing SI process online	Advisory body	Oversight body	Business	NGO	Trade union	# of NCP hosted events	# of promotional events NCPs participated in	Attended OECD NCP 2015 meeting	Attended OECD NCP meeting - June 2016	Attended OECD NCP meeting - Nov 2016	Reported in 2015	Reported in 2016
France	2000	✓	✓	✗	✗	✓	✗	✓	24	48	✓	✓	✓	✓	✓
Germany	2000	✓	✓	✓	✗	✓	✓	✓	1	5	✓	✓	✓	✓	✓
Greece	2000	✓	✓	✗	✗	✗	✗	✗	1	0	✗	✓	✓	✓	✓
Hungary	2000	✓	✗	✗	✓	✗	✗	✗	2	0	✓	✓	✓	✓	✓
Iceland	2000	✓	✗	✗	✗	✗	✗	✗	0	0	✗	✗	✗	✗	✓
Ireland	2000	✓	✓	✗	✗	✗	✗	✗	0	0	✓	✗	✗	✓	✓
Israel	2002	✓	✗	✓	✗	✓	✗	✓	4	0	✓	✓	✓	✓	✓
Italy	2000	✓	✓	✓	✗	✓	✓	✓	1	13	✓	✓	✓	✓	✓
Japan	2000	✓	✓	✓	✗	✓	✗	✓	1	1	✓	✓	✓	✓	✓
Jordan	2016	✗	✗	✗	✗	✓	✓	✓	0	0	✗	✗	✓	✗	✓
Korea	2000	✓	✓	✗	✗	✗	✗	✗	6	8	✓	✓	✓	✓	✓
Latvia	2004	✓	✗	✗	✗	✓	✗	✓	2	0	✓	✓	✓	✓	✓
Lithuania	2001	✓	✗	✓	✗	✓	✗	✗	0	1	✗	✓	✓	✓	✓
Luxembourg	2000	✓	✓	✓	✗	✓	✗	✓	0	0	✗	✓	✓	✓	✓
Mexico	2000	✓	✓	✗	✗	✗	✗	✗	1	15	✓	✓	✓	✓	✓
Morocco	2009	✓	✓	✗	✗	✗	✗	✗	1	2	✓	✓	✓	✓	✓
Netherlands	2000	✓	✓	✓	✗	✓	✓	✓	3	11	✓	✓	✓	✓	✓
New Zealand	2000	✓	✓	✓	✗	✓	✓	✓	0	2	✗	✗	✗	✓	✓
Norway	2000	✓	✓	✗	✗	✓	✓	✓	12	15	✓	✓	✓	✓	✓
Peru	2008	✓	✓	✗	✗	✗	✗	✗	2	1	✓	✓	✗	✓	✓
Poland	2000	✓	✓	✓	✗	✗	✗	✗	4	9	✓	✓	✓	✓	✓
Portugal	2000	✓	✗	✗	✗	✗	✗	✗	1	0	✓	✓	✗	✓	✓

						Stakeholder representation			Promotional activities of NCPs		Meetings and reporting				
NCP	Date of creation	Web-site	Procedures describing SI process online	Advisory body	Oversight body	Business	NGO	Trade union	# of NCP hosted events	# of promotional events NCPs participated in	Attended OECD NCP 2015 meeting	Attended OECD NCP meeting - June 2016	Attended OECD NCP meeting - Nov 2016	Reported in 2015	Reported in 2016
Romania	2005	✓	✗	✗	✓	✗	✗	✗	0	0	✓	✗	✓	✓	✓
Slovak Republic	2000	✓	✓	✗	✓	✓	✓	✓	0	0	✓	✓	✓	✓	✓
Slovenia	2009	✓	✗	✗	✗	✗	✗	✗	0	0	✗	✓	✓	✓	✓
Spain	2000	✓	✓	✓	✗	✓	✓	✓	0	1	✓	✓	✓	✓	✓
Sweden	2000	✓	✗	✗	✗	✓	✗	✓	1	3	✓	✓	✓	✓	✓
Switzerland	2000	✓	✓	✓	✗	✓	✓	✓	2	5	✓	✓	✓	✓	✓
Tunisia	2013	✗	✗	<i>no report</i>							✗	✗	✗	✗	✗
Turkey	2000	✓	✓	✗	✗	✗	✗	✗	2	0	✓	✓	✓	✓	✓
United Kingdom	2000	✓	✓	✓	✓	✓	✓	✓	9	9	✓	✓	✓	✓	✓
United States	2000	✓	✓	✓	✗	✓	✓	✓	5	14	✓	✓	✓	✓	✓
Total "Yes":		43	33	18	5	26	18	25	113	243	36	39	35	42	44

Annex 2

Specific instances closed in 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
MAN Ferrostaal Argentina S.A. and Asociación Civil por la Igualdad y la Justicia (ACIJ)	Argentina	None	Combating bribery, bribe solicitation and extortion, General policies	17-Mar-11	Argentina	NGO	Public administration and defence	Concluded	11-Nov-16	http://mneguidelines.oecd.org/database/instances/ar0006.htm
<p>On 17 March 2011, the NGO Asociación Civil por la Igualdad y la Justicia (ACIJ) submitted a specific instance alleging that Ferrostaal Argentina S.A., controlled by the MAN Ferrostaal AG Group, headquartered in Germany, did not observe the Guidelines. More specifically, it was claimed that criminal activity had been carried out by executives of the company, who allegedly bribed members of the Argentinian military, public officers and lawyers, in order to secure the award of a contract for the design of sea patrol vessels.</p> <p>In May 2011, following an analysis of ACIJ's argument and the documents submitted the NCP accepted the submission for further examination, considering that, prima facie, it complied with the formal requirements set forth in the OECD Guidelines for Multinational Enterprises. In this context, the NCP offered its good offices to the parties to facilitate the dialogue process, in order for them to reach an agreement.</p> <p>The NCP invited the parties together in order to foster dialogue between them, however no agreement was reached.</p> <p>Based on the above and the lack of progress in the steps taken for the two parties to sit at a dialogue table, the NCP considers that it cannot continue to effectively implement its role of facilitator. On 11 November 2016, the NCP published its final statement concluding the specific instance.</p>										
BNP Paribas and Asociación Civil por la Igualdad y la Justicia (ACIJ)	Argentina	None	General policies, Disclosure	4-Jul-11	Argentina	NGO	Financial and insurance activities	Not accepted	15-Dec-16	http://mneguidelines.oecd.org/database/instances/ar0008.htm
<p>On 4 July 2011, the Argentinian NCP received a submission by the NGO Asociación Civil por la Igualdad y la Justicia (ACIJ) alleging that BNP PARIBAS, a French multinational enterprise, did not observe the Guidelines in Argentina.</p> <p>The previous NCP office failed to analyse the filing by ACIJ in a timely manner. Thus, this submission was not examined before the restructuring of the Argentinian NCP. On 2 November 2016, in the context of the work to improve the Argentinian NCP, its new members made a formal offer to the NGO to update its request in order to adequately consider the specific instance. The NCP's offer did not lead a result. The NCP thus dismissed the claims and closed the specific instance on 15 December 2016.</p>										
Lafarge Holcim Ltd and Ricardo Molina, an individual	Argentina		Concepts and Principles, Environment, Science and Technology	01-Mar-16	Argentina	Individual	Professional, scientific and technical activities	Concluded	12-Dec-16	http://mneguidelines.oecd.org/database/instances/ar0011.htm

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>In March 2016, the NCP received a submission regarding the activities of the company Lafarge Holcim Ltd. The specific instance was submitted by Ricardo José Manuel Molina, an electromechanical engineer and former employee of Lafarge Holcim and inventor of a machine used by the company. The submission alleged that the company did not provide Ricardo Molina with the appropriate benefits of his invention.</p> <p>In May 2016, following an analysis of the documentation, the NCP accepted the specific instance for further examination and offered its good offices. Following the NCP's offer, the company requested that the specific instance be terminated. The NCP engaged in a dialogue with the company to clarify the NCP process. On 31 October 2016, the company submitted new documentation explaining that it was not able to take part in the mediation because of existing parallel judicial proceedings.</p> <p>Following the company's submission, the NCP proposed, via a meeting with the company and via a phone call with the submitters, that the parties:</p> <ul style="list-style-type: none"> - discuss a solution in relation to the amount of compensation requested by Mr. Molina; - not resubmit any proposals which had already been made before (i.e., in the parallel mediation process that had already ended) but instead, explore new means to improve the other elements discussed thus far. <p>The parties accepted the NCP's proposal; however, the goal was not achieved, and they failed to reach an agreement. On 15 December 2016, the NCP issued a final statement concluding the specific instance.</p> <p>The NCP encourages the parties to consider finding a way to generate the conditions required to engage in dialogue and constructively work for the resolution of the issues in which they are involved.</p>										
Bayswater Contracting and Mining Group (BCM) and the National Federation of Mining and Energy (FENAME) of Mali.	Australia	None	Employment and Industrial Relations	9-Oct-15	Mali	Trade union	Mining and Quarrying	Not accepted	Dec-16	http://mneguidelines.oecd.org/database/instances/au0008.htm
<p>On 9 October 2015, Mr Karembé Boulkassoum, on behalf of the National Federation of Mining and Energy (FENAME) of Mali, submitted a specific instance to the Australian NCP alleging non-observance of the Guidelines by Bayswater Contracting and Mining Group (BCM).</p> <p>More specifically, FENAME alleged that BCM, at their operating site in Loulo, Mali, dismissed 436 workers including 26 union representatives without correct approval from the relevant local Government agency - the Mali Directorate of Labour.</p> <p>The NCP conducted an initial investigation and determined that BCM is not a registered Australian enterprise. Attempts to contact BCM were made but not answered.</p> <p>Under the OECD Guidelines, the NCP is required to refer a specific instance to another relevant NCP if the enterprise is not based in Australia. However at the time of the investigation, there appears to be no other NCP with operational jurisdiction.</p> <p>As BCM is not an Australian multinational enterprise, the NCP closed this specific instance, issued a final statement in December 2016 and notified FENAME of its decision.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Brussels Airlines and M. Edouard Teumagnie	Belgium	None	Combating bribery, bribe solicitation and extortion, Consumer interests, General policies, Human rights	23-May-16	Cameroon	Individual	Transportation and storage	Not accepted	31-Aug-16	http://mneguidelines.oecd.org/database/instances/be0017.htm
<p>On 23 May 2016, M. Edouard Teumagnie (an individual from Cameroun) submitted a specific instance to the NCP of Belgium regarding the activities of the Belgian enterprise Brussels Airlines.</p> <p>M. Teumagnie stated that Brussels Airlines did not observe the Guidelines during his boarding process at the Douala airport in Cameroun on 17 April 2016. He claims that the company made him pay a penalty fee and made him change the date of his return ticket for exceeding the 90 days stay limit within the Schengen area. He argues that Brussels Airlines staff was rude to him.</p> <p>Both Brussels Airlines and M. Teumagnie provided additional information to the Belgian NCP. On 4 August 2016, the Belgian NCP met with a representative of Brussels Airlines and received more information about the company and its operations in Cameroun. The representative of the company agreed to apologise for the late answer to the consumer complaint of M. Teumagnie.</p> <p>On 31 August 2016, the Belgian NCP published its initial assessment closing the specific instance as Brussels Airlines replied to M. Teumagnie on 10 August 2016, answering his questions. The NCP played its role as a facilitator. The NCP recommends that Brussels Airlines improve their process to respond faster to customer complaints and that the company implement due diligence practices.</p>										
Kinross Brasil Mineração and Paracatu neighboring associations	Brazil	None	Environment, General policies, Human rights	18-Jun-13	Brazil	Local community	Mining and quarrying	Concluded	24-Sep-16	http://mneguidelines.oecd.org/database/instances/br0020.htm
<p>On 18 June 2013, the Brazilian NCP received a submission from the city of Paracatu's neighbouring associations alleging that Kinross Brasil Mineração, part of the Canadian multinational enterprise "Kinross Gold Corporation Group", did not observe the Guidelines.</p> <p>More specifically, the submitters alleged that the use of explosives by Kinross damaged surrounding homes and that some of the infrastructure built by Kinross made access from the rural area of Machadinho to the city of Paracatu difficult.</p> <p>In August 2013, the NCP accepted the submission for further examination and offered its good offices which were accepted by both parties. Three mediation meetings took place between September 2015 and September 2016, and the parties reached an agreement.</p> <p>Although no link was established between the company's use of explosives and the damage to homes, Kinross stated its intent to repair the homes in three urban neighbourhoods through a partnership project with the City of Paracatu and the active participation of the community.</p> <p>On 22 September 2016, the NCP concluded the specific instance and a final statement was released on 21 December 2016. The NCP recommends that Kinross:</p> <ul style="list-style-type: none"> Meet its commitment to support the community of Machadinho in providing guidance on how to apply the company's program in Paracatu; Inform residents from neighbouring areas of their work and future projects to build a relationship of trust; Conduct due diligence processes that assess the adverse impacts of its mining activities. <p>In addition, the NCP requests to remain informed of the partnership project between Kinross and the City of Paracatu.</p>										
C&A Moda Ltda and individual	Brazil	Germany	General policies, Human rights	17-Oct-13	Bangladesh	Individual	Manufacturing	Concluded	08-Dec-16	http://mneguidelines.oecd.org/database/instances/br0022.htm

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>On 4 December 2013, the Brazilian NCP received a submission from a German parliamentarian, regarding the activities of C&A Modas Ltda ("C&A Brasil"), a subsidiary of the Cofra Holding Group, operating in Dhaka, Bangladesh. The submitters alleged that the Cofra Holding Group and C&A Modas Ltda ("C & A Brasil") were to be held co-responsible in the Tazreen plant fire in 2012, which killed 112 people and injured more than 300 others.</p> <p>In December 2013, the submission was accepted by the Brazilian NCP for further examination.</p> <p>The NCP and C&A Brazil met in April 2015. C&A Global sent additional documentation to the NCP in May 2015, including information on the Fire Security Program initiated after the fire in Tazreen.</p> <p>Although recognising that the company had taken some of the measures to meet the first round of the submitter's suggestions, the submitter addressed a new set of recommendations to the company in January 2016. Between February and June 2016, the NCP made several attempts to reach the company in this regard, with no success.</p> <p>On 8 December 2016, the NCP issued a final statement concluding the specific instance. Noting the measures taken by the company after the fire, the NCP recommends that it continue to improve its processes and promotion of human rights and decent work conditions in accordance with the OECD Guidelines.</p> <p>A related specific instance regarding Kik Textilien and Karl Rieker GmbH & Co was handled by the German NCP.</p>										
PWT Group and the NGOs Clean Clothes Campaign Denmark and Active Consumers	Denmark	None	General policies, human rights, employment and industrial relations	14-Dec-14	Bangladesh	NGO	Manufacturing	Concluded	17-Oct-16	http://mneguidelines.oecd.org/database/instances/dk0015.htm
<p>On 12 December 2014, the NGOs Clean Clothes Campaign Denmark and Active Consumers submitted a specific instance to the Danish NCP alleging that PWT Group (a clothing company) had not observed the OECD Guidelines for Multinational Enterprises due to a failure to carry out due diligence in relation to its supplier, the textile manufacturer New Wave Style Ltd. which was located in the Rana Plaza, Bangladesh, before the collapse of the factory on 24 April 2013.</p> <p>The NCP conducted an initial assessment, which was completed in June 2015 and the NCP offered mediation to the parties. The parties were unable to agree on a mediated agreement and the mediation process ended in February 2016.</p> <p>On 17 March 2016, the NCP decided to conduct an actual investigation of the specific instance.</p> <p>New Wave Style was located in the Rana Plaza building in Dhaka, Bangladesh, which collapsed on 24 April 2013, killing 1,138 people and injuring more than 2,000. PWT Group has stated that the company conducts inspections of the working conditions at the factories that manufacture goods for the company, and that an inspection was conducted at New Wave Style in 2012.</p> <p>The Danish NCP found that the documents submitted by PWT Group did not provide details on checks and inspections that were conducted during the visit, nor whether improvements were required by PWT on the basis of the inspections. Nor did the NCP find that PWT has submitted documentation of the company's risk and decision making systems, e.g. checklists, used as the basis for inspections and visits at New Wave Style for the purpose of ensuring health and safety at the workplaces.</p> <p>The NCP found that PWT Group had not applied processes for due diligence in compliance with the OECD Guidelines. In particular, PWT Group had failed to make demands that New Wave Style ensure employees' basic human and labour rights, including failing to take adequate steps to ensure occupational health and safety in their operations (see chapter V, paragraph 4c of the OECD Guidelines).</p> <p>On 17 October 2016, the NCP released its final statement concluding the specific instance and recommending that PWT Group:</p> <p>Revise its management and risk assessment systems in order to implement processes by which the company can meet the requirement of due diligence in relation to its suppliers, in accordance with chapter II of the OECD Guidelines.</p> <p>Ensure that the company's corporate social responsibility policy complies with the OECD Guidelines.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>Review its suppliers' self-assessments in conjunction with an analysis of industry and country risks and, on this basis, select what is to be inspected. Report and communicate about these efforts and about the measures carried out by the supplier to prevent potential risks. Continue its efforts to systematically incorporate the company's Code of Conduct into management and risk systems. Remain up to date on new guides on due diligence within its sector as a means of continuously developing the company's work in this respect.</p> <p>The NCP requests that PWT Group, within one year of the publication of the final statement, provide a follow-up report on the above recommendations and on the company's efforts to develop decision-making and risk management systems that meet the due diligence requirements of the OECD Guidelines.</p>										
Somadex and former employees	France	None	Employment and industrial relations, General policies	4-May-15	Mali	Individual	Mining quarrying	Concluded	13-06-2016	http://mneguidelines.oecd.org/database/instances/fr0022.htm
<p>On 4 May 2015 the French NCP received a submission concerning a social conflict and the dismissal of 311 workers which took place in July 2005 in Mali by a local subsidiary of the French Group Bouygues Construction ("Somadex"). According to the submitters, the workers were dismissed in retaliation for striking. The submission was made by a group of 255 former Somadex workers represented by M. Yacouba Traore, who is also the Secretary General of a Trade Union of the mining sector in Mali (Fename).</p> <p>The first version of the submission was not admissible. The NCP proposed to the submitters to redraft it before September 2015, which was done, and deemed admissible even though the submission was not densely documented. In February 2016 the NCP finished its initial assessment and concluded that the submission did not merit further examination. Prior to reaching this assessment, the NCP set up a dialogue with the submitters and with the enterprise, Bouygues Construction Group. The enterprise provided detailed responses regarding the submission to the NCP. The NCP also consulted the NGO Fédération International des Droits de l'Homme (FIDH) which had investigated this conflict as well as the Malian gold sector in 2007.</p> <p>On 13 June 2016 the NCP published a final statement closing the specific instance after the initial assessment. Both parties were consulted in drafting the final statement.</p> <p>In its decision, the NCP noted that during the incident in question, Somadex was confronted with a breakdown of social dialogue leading to a massive strike. This strike was afterwards recognised and judged illegal and dismissals for abandonment of post were judged legal. There is no evidence that this judgment was contested. Due to the seriousness of the social conflict, and the illegal actions of the workers, the enterprise and their social partners at the mine in question (Morila mine) could not maintain constructive negotiations, as recommended by the Guidelines.</p> <p>The NCP also noted that while FIDH denounced the arrests and the detention of several workers engaged in the social conflict as a violation of human rights, the potential involvement of the enterprise in these incidents was not established. The NCP underlines that these actions were the responsibility of Malian authorities and that "due diligence" and "business relationship" were not concepts included in the Guidelines in 2005.</p> <p>In its final statement the NCP includes a determination finding that Somadex did not violate the Guidelines (2000 version). The NCP also notes that currently the Bouygues Construction Group implements a code of ethics demonstrating lessons learnt from this incident and commits to social dialogue and vocational training for its staff notably in African regions. The NCP recommended that the Bouygues Construction Group enrich its code of ethics by referencing the Guidelines, in particular, Chapter V which references ILO Declarations and conventions. It also recommends that the enterprise implement the recommendations of the OECD due diligence guidance for meaningful stakeholder engagement in the extractive sector in the context of its extractive operations.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Alsetex, Etienne Lacroix Group and Americans for Democracy and Human Rights in Bahrain (ADHRB)	France	None	Human rights, General policies	19-Aug-15	Bahrain	NGO	Professional, scientific and technical activities	Concluded	04-Jul-16	http://mneguidelines.oecd.org/database/instances/fr0021.htm
<p>On 19 August 2015, the French NCP received a submission from the American NGO Americans for Democracy and Human Rights in Bahrain (ADHRB), regarding the sale of security product (tear gas) by Alsetex, a subsidiary of the Etienne Lacroix Group, to the government of Bahrain. The NGO asked whether human rights had been respected and whether due diligence was applied in the sale of these security products to Bahrain which could have been used in 2011 and more recently to potentially violate human rights. These tear gas products fall under a specific export regulation in France.</p> <p>In November 2015, the NCP published its initial assessment which noted that the submission was precise, detailed and well documented and that questions raised by the NGO merited further consideration. The NCP offered its general good offices and both parties accepted. Given the confidential nature of the sector in question, the NCP asked ADHRB to sign a non-disclosure agreement. After this contact with the parties, the NCP offered mediation to discuss the enterprise's due diligence, which Alsetex refused.</p> <p>The NCP had a constructive dialogue with both parties which led to an agreement. On 4 July 2016, the NCP released a Report (final statement). The NCP notes that specific European and French regulations on the tear gas export control take into consideration human rights and the potential risks caused by the final use of such products. The NCP notes that the enterprise conducted due diligence as recommended by the Guidelines through this legal export control system. It noted that the enterprise strictly complied with French regulations and respected the export ban decided by the French government in 2011 after it was determined that tear gas had been misused in Bahrain in February 2011. By respecting these decisions and regulations, the enterprise complied with the Guidelines and did not contribute to human rights violations in Bahrain. The NCP also noted that the enterprise has developed risk-based due diligence measures and recommends that the company formalise its risk management system. The NCP also notes that Alsetex is developing a policy for responsible business conduct, and comments this initiative. The NCP invites Alsetex to use the OECD Guidelines and to take into account comments provided by ADHRB during this process and release its policy afterwards.</p>										
Nordex SE and individuals	Germany	Turkey	Environment	04-Aug-14	Turkey	Individual	Electricity, gas, steam and air conditioning supply	Concluded	31-Aug-16	http://mneguidelines.oecd.org/database/instances/de0021.htm
<p>On 4 August 2014 the German NCP received a submission from an individual from Turkey alleging that Nordex SE, a German multinational enterprise, had not observed the environment provisions of the Guidelines in Turkey. More specifically they alleged that Nordex SE had not properly performed an environmental risk assessment as well as public participation related to a specific project.</p> <p>In harmony with the implementation procedures, and after consulting with the OECD Investment Committee, the Turkish NCP took the lead on this specific instance and, after an initial assessment, concluded that the specific instance did not merit further consideration.</p> <p>Separate to this evaluation, the German NCP assessed the general due diligence issues raised by the individuals. In the initial assessment completed on 8 June 2015, the German NCP accepted part of the submission regarding Nordex SE's due diligence as a supplier of wind turbines for further consideration.</p> <p>Following this, the NCP prepared the mediation with both parties and conducted a mediation meeting on 11 February 2016. After additional bilateral talks with both parties, Nordex SE agreed to improve its due diligence process in the supply of wind turbines (Gate Process). The NCP issued a final statement concluding the specific instance.</p> <p>A related specific instance was not accepted by the Turkish NCP.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Italian bank, et al and an individual	Italy	None	Disclosure, Human Rights, Consumer Interests, Taxation	25-Sep-16	Italy	Individual		Not accepted	15-Nov-16	http://mneguidelines.oecd.org/database/instances/it0008.htm
Italian bank, et al and an individual	Italy	None	Disclosure, Human Rights, Consumer Interests, Taxation	15-Oct-16	Italy	Individual		Not accepted	15-Nov-16	http://mneguidelines.oecd.org/database/instances/it0008.htm
Italian bank, et al and an individual	Italy	None	Disclosure, Human Rights, Consumer Interests, Taxation	17-Oct-16	Italy	Individual		Not accepted	15-Nov-16	http://mneguidelines.oecd.org/database/instances/it0008.htm
<p>On 25 September 2016, an individual submitted a specific instance to the Italian NCP regarding an Italian bank, and other relevant individuals following the foreclosure of his house due to a non-payment of credits claimed by the bank.</p> <p>The submitter stated that the judge had approved the foreclosure and the forced sale in spite of the actions of the Bank, and that that the bank had not observed the Guidelines along with several Italian laws and regulations, the European Convention on Human Rights (ECHR) and the Universal Declaration of Human Rights.</p> <p>After assessing both the specific instance and the documents submitted, the Italian NCP concluded that the issue raised does not merit further examination because of the following reasons:</p> <p>The issue raised, including the alleged expropriation of the submitter's house is still pending in judicial proceedings; With regards to the individuals involved, the instance is inadmissible because they are not covered by the scope of the Guidelines; The issue brought against the bank is not sufficiently substantiated; Further examination of the issues raised would not contribute in any way to the purpose and effectiveness of the Guidelines.</p>										
Tower Semiconductor, TowerJazz Japan and trade unions	Japan	Israel	Employment and industrial relations	18-Aug-14	Japan	Trade union	Manufacturing	Concluded	30-Sep-16	http://mneguidelines.oecd.org/database/instances/jp0005.htm
<p>On 18 August 2014 the Japanese NCP received a submission from several trade unions (the TowerJazz Branch of Rengo Hokuban Local Union, the Hokuban Local Council of Rengo-Hyogo, Rengo-Hyogo and Rengo (the Japanese Trade Union Confederation) alleging that the multinational company Tower Semiconductor Ltd. headquartered in Israel and its Japanese subsidiary, TowerJazz Japan Ltd., had not observed the employee and industrial relations provisions of the Guidelines in Japan.</p> <p>The trade unions alleged that the company had not observed the company's Rules of Employment regarding the distribution of severance allowances following the closure of TowerJazz Japan's Nishiwaki factory and the dismissal of factory employees. The trade unions also stated in the submission that, in their view, the company representative participating in collective negotiation with the trade unions had no authority to do so.</p> <p>On 19 January 2015, the Japanese NCP issued an initial assessment accepting the case for further examination.</p> <p>The NCP asked TowerJazz Japan to engage in dialogue four times between January and October 2015. TowerJazz Japan did not engage with the NCP citing parallel ongoing consultations and mediation. In January 2016, the NCP offered consultation with Tower Semiconductor but the company took the same position as TowerJazz Japan and did not act on the offer.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
On 30 September 2016, following the expression of unwillingness of the companies to engage in consultation, the Japanese NCP published its final statement and concluded the specific instance noting that it could not propose any consultation without the agreement of the parties involved.										
Korean Metal Workers' Union et al and Hydys Technologies Co., Ltd., E Ink Holdings, Inc. and Yuen Foon Yu, Inc.	Korea	None	General policies, Human rights, Employment and industrial relations, Competition, Disclosure	23-Jul-15	Korea, Republic of (South)	Trade union	Manufacturing	Concluded	08-Dec-16	http://mneguidelines.oecd.org/database/instances/kr0014.htm
<p>On 23 July 2015, the Korean NCP received a submission from the Korean Metal Workers Union et al. regarding the activities of Hydys Technologies Co., Ltd., E Ink Holdings, Inc., and Yuen Foon Yu, Inc..</p> <p>The submitter stated that the companies did not observe the Guidelines by 1) conducting surveillance on the activities of the trade union 2) not making sincere efforts to create new jobs, dismissing employees, and having employees retire 3) providing technologies at unreasonably low prices therefore engaging in unfair competition and 4) not providing general information about corporate activities.</p> <p>After holding meetings with both parties, the NCP made an initial assessment on 19 August 2016 and held that this specific instance merited further consideration.</p> <p>On 7 September 2016, the Mediation Committee organized by the NCP held a meeting with both parties. At the meeting, there was a disagreement by the parties on which participants may be involved.</p> <p>On 19 September 2016, the companies refused to participate in the second meeting, arguing that the issue should be handled by the submitter and the local branch of the trade union.</p> <p>On 8 December 2016, the NCP released a final statement concluding the specific instance as 1) the companies refused to participate in further mediation work and 2) parties could not reach an agreement.</p> <p>The NCP recommends that companies keep communication channels open and continue to engage in dialogue concerning the issues raised by the submitters.</p>										
Asahi Glass Fine Techno Korea (in-house subcontracted workers' union) and Asahi Glass Co., Ltd. & Asahi Glass Fine Techno Korea Co., Ltd.	Korea	None	General policies, human rights, employment and industrial relations	05-Aug-15	Korea, Republic of (South)	Trade union	Manufacturing	Concluded	08-Dec-16	http://mneguidelines.oecd.org/database/instances/kr0013.htm
<p>On 5 August 2015, the Korean NCP received a submission from the in-house trade union of the company Asahi Glass Fine Techno Korea related to the activities of Asahi Glass Co., Ltd. and Asahi Glass Fine Techno Korea Co., Ltd., branches of Asahi, a Japanese company.</p> <p>The submitter argued that the companies did not observe the Guidelines by 1) dismissing a large number of workers without any prior notification, 2) terminating the contracts of workers before their expiry date without any failure by the subcontractor to perform its contractual obligations and 3) intervening in the union's activity.</p> <p>On 19 August 2016, the NCP made an initial assessment and considered that this case merited further consideration.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>On 8 and 21 September 2016, the Mediation Committee organised by the NCP held a meeting with both parties. Despite both parties' efforts, no agreement was reached. On 23 September 2016, the company stated it did not wish to participate in a third meeting.</p> <p>The NCP concluded the specific instance as the company refused to participate in further mediation work and the parties could not reach an agreement. The final statement was released on 8 December 2016.</p> <p>Acknowledging that both parties nevertheless engaged in meaningful efforts, the NCP recommends that the company keep communication channels open and continue to engage in dialogue concerning the issues raised by submitter.</p>										
Investment issue between JSC Norvik Bank (a Latvian public bank) and Winergy Ltd.	Latvia	None	Disclosure	01-Jul-16	Latvia	Business	Financial	Not accepted	13-10-2016	http://mneguidelines.oecd.org/database/instances/lv0001.htm
<p>In July 2016 the Latvian NCP received a submission from JSC Norvik Bank, a commercial bank. The request was focused on the efficiency and transparency issues of Latvia's court and judicial systems and actions taken by Prosecutor General's Office, the Financial and Capital Market Commission and the Latvian State Revenue Service.</p> <p>More specifically, JSC Norvik Bank alleged that with regard to the dispute resolution between JSC Norvik Bank and Winergy Ltd., justice is being denied via a deliberately slow and inefficient process.</p> <p>The Latvian NCP concluded that the issues were not relevant to the implementation of the Guidelines and did not merit further consideration. The reason for the decision is that public institutions and judicial authorities mentioned in the specific instance cannot be considered multinational enterprises for the purposes of the Guidelines as they are not international in nature and are not engaged in commercial activities. Furthermore the issue being raised (denial of justice through inefficient process) is outside the scope of the recommendations of the Guidelines.</p> <p>On 13 October 2016 the NCP closed the specific instance and issued a final statement.</p>										
Human rights, disclosure and consumer interests involving a Swiss insurance company operating in Morocco	Morocco	None	Disclosure, Human Rights, Consumer interests	18-Mar-16	Morocco	Individual	Financial and insurance activities	Not accepted	21-Jul-16	http://mneguidelines.oecd.org/database/instances/ma0001.htm
<p>On 18 March 2016, an individual submitted a specific instance to the Moroccan NCP alleging that a Swiss multinational insurance company and its subsidiary operating in Morocco did not observe the OECD Guidelines.</p> <p>The submission concerns the treatment of the individual's complaint by the insurance company after he sustained an accident at work.</p> <p>The individual's employer did not declare the work accident to the insurance company and a case was brought to court. This resulted in a judgment in favour of the individual, specifying that he should receive appropriate compensation. The individual repeatedly contacted the insurance company to claim his compensation.</p> <p>After having examined the submission and the documentation received from the individual, the NCP found that the submission is not material and substantiated and that no links between the allegations</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>and the Guidelines can be made.</p> <p>On 21 July 2016, the NCP published its initial assessment not accepting the specific instance for further examination.</p>										
Individual and an audit company operating in Morocco	Morocco	None		02-Jun-16	Morocco	Individual		Not accepted	31-Oct-16	http://mneguidelines.oecd.org/database/instances/ma0002.htm
<p>On 2 June 2016, an individual submitted a specific instance to the Moroccan NCP alleging that his employer, a US headquartered audit company, did not observe the Guidelines.</p> <p>More specifically, the submitter alleged that he had been unfairly dismissed, had suffered physical assault along with threats and insults at the company location and that his employer had refused to declare the work accident that occurred on the same day as the assault.</p> <p>The Moroccan NCP examined whether this specific instance merited further examination and found that no link could be established between the elements put forward by the submitter and the provisions of the Guidelines regarding disclosure of information.</p> <p>The NCP also considered that the company did not observe the provisions of the chapters related to employment and industrial relations and human rights.</p> <p>On 31 October 2016, the NCP issued its initial assessment stating that this specific instance did not merit further examination and closing the specific instance</p>										
Rabobank, Bumitama Agri Group (BGA) and the NGOs Friends of the Earth Europe and Friends of the Earth Netherlands/Milieudefensie	Netherlands	None	General policies, Human rights	27-Jun-14	Indonesia	NGO	Financial and insurance activities	Concluded	15-Jan-16	http://mneguidelines.oecd.org/database/instances/nl0024.htm
<p>On 27 June 2014, the Dutch NCP received a submission from the NGOs Friends of the Earth Europe and Friends of the Earth Netherlands/Milieudefensie alleging that Rabobank, a large financial institution, did not observe the Guidelines in Indonesia through its business relationship with Bumitama Agri Group (BGA).</p> <p>Specifically, the NGOs alleged that Rabobank had not taken the appropriate steps to prevent or mitigate alleged negative impacts related to the activity of their business partner, the Bumitama Agri Group (BGA), a palm plantation company in Indonesia, partially funded by Rabobank.</p> <p>On 16 December 2014, the NCP issued its initial assessment accepting the submission for further examination and offering its good offices, which both parties accepted.</p> <p>The NCP held joint meetings between September 2014 and June 2015, and two separate meetings with each party in July and August to set the dialogue procedure.</p> <p>In its final statement published on 15 January 2016 concluding the specific instance, the NCP: Acknowledges that Rabobank is a member of the Round table for Responsible Palm Oil (RSPO) but also highlights that financial institutions have a responsibility of their own to exercise individual leverage to seek to prevent or mitigate the impact of their business conduct and to increase their leverage if necessary with regard to their own clients; Is of the opinion that disengagement of financial institutions that adhere to the RSPO principles will in general not benefit the goal of sustainability;</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>Believes that Rabobank must aspire to maximum transparency and consistency in its engagement in the light of the Guidelines, and recommends that Rabobank devote more attention to this in its policy and procedures;</p> <p>Encourages financial institutions to actively take part in due diligence initiatives in the financial sector and in the industry and emphasizes the value of a constructive multi-stakeholder approach.</p> <p>The NCP invited the parties to an evaluation dialogue at the beginning of 2017, to which both parties agreed to participate.</p>										
Mylan N.V. and an individual, Mr. Bart Stapert	Netherlands	None	General policies, Human rights	03-Mar-15	United States	Individual	Pharmaceuticals	Concluded	11-Apr-16	http://mneguidelines.oecd.org/database/instances/nl0025.htm
<p>On 3 March 2015, the Dutch NCP received a submission from Mr. Bart Stapert regarding alleged human rights impacts by Mylan N.V. in respect of the manufacture of rocuronium bromide and links to lethal injection execution through sales of the generic medicine in the United States.</p> <p>Mr. Bart Stapert is an attorney with expertise in the defense of capital punishment cases. In the submission he alleges that Mylan's failure to restrict the sale of its products to prisons in the United States risks enabling the execution of prisoners using rocuronium bromide in violation of their right to life and, potentially, their right not to be subjected to cruel, inhuman and degrading treatment. The submission refers to alleged non-observance of the General Policies chapter and the commentary on Human Rights in the Guidelines.</p> <p>In the view of Mr. Bart Stapert, Mylan should acknowledge the risk that without distribution controls in place its medicines may be purchased by prisons in the United States and used to execute prisoners, investigate what distribution controls it may impose, take swift action to implement comprehensive distribution controls, try to prevent the use of any Mylan medicines which may already have been sold to prisons and publish a policy statement confirming Mylan's commitment to human rights, in particular to the human rights abuses associated with the use of medicines in lethal injection executions.</p> <p>On 21 April 2015, Mylan submitted an initial response following the submission by Mr. Bart Stapert concerning the issues raised in this specific instance. The company states that it has never delivered, marketed or distributed rocuronium bromide for use in lethal executions, nor received or filed an order from any prison or other entity for use of the medicine in connection with a lethal injection. The company also challenged the jurisdiction of the Dutch NCP stating that the submission ought to be heard by the US NCP. Furthermore, the company contends that the demanded measures to be taken are beyond its control and that the issue is more one of ethical and public policy debate.</p> <p>The initial assessment of the Dutch NCP concluded that the issues raised merited further consideration and the Dutch NCP therefore accepted the specific instance and offered its good offices to both parties. The Dutch NCP noted that, although in principle a notification should have been filed at the NCP where the alleged problems were occurring (in this instance the United States), the NCP has consulted with the US NCP and agreed that the Dutch NCP will handle this specific instance to affect change at the highest corporate entity in the Netherlands.</p> <p>Both parties accepted the NCP's offer to engage in mediation and met in November 2015 to start a dialogue facilitated by the NCP aimed at resolving the issue at hand. The parties agreed to continue a constructive dialogue after the meeting. The NCP has made some recommendations in addition to the due diligence recommendations in the Guidelines and closed the specific instance on 11 April 2016 by publishing a final statement.</p> <p>The NCP is of the opinion that distributors and purchasers of, in this case, medicines distributed or purchased for purposes that are inconsistent with approved labelling and applicable medical standards of care fall under a business relationship. The NCP concludes that the Guidelines are applicable to both the supply chain and the distribution chain.</p> <p>The NCP encourages pharmaceutical companies to work with different stakeholders such as distributors, human rights organisations and others to prevent rocuronium bromide and other medicines being used in lethal injections and suggests that Mylan shares the outcome of this matter and its due diligence steps with other companies in the sector.</p> <p>The NCP recommends that an evaluation be conducted in March 2017 to assess the outcomes of the mediation and ensure that Mylan's products are being used properly and prevent use of medicine in lethal injections. The NCP anticipates a positive outcome of the steps taken by Mylan in the distribution chain. The evaluation will be published on the Dutch NCP website.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Atradius Dutch State Business and NGOs	Netherlands	None	General Policies, Disclosure, Human rights, Environment	8-Jun-15	Brazil	NGO	Financial	Concluded	30-Nov-16	http://mneguidelines.oecd.org/database/instances/nl0026.htm
<p>On 8 June 2015 the Dutch NGO Both ENDS – in conjunction with and on behalf of the Brazilian NGOs Associação Fórum Suape Espaço Socioambiental, Conectas Direitos Humanos and Colônia de Pescadores do Município do Cabo de Santo Agostinho – submitted a specific instance to the Dutch NCP.</p> <p>The submission alleged that the Atradius Dutch State Business (ADSB), the official credit insurance agency of the Netherlands, had not observed the Guidelines. The allegations relate to the provision of export credit insurance on behalf of and for the account of the Dutch State with respect to dredging projects by the Dutch company Van Oord for the Suape Industrial Port Complex in Suape, Brazil. Parallel notifications were lodged with Van Oord Marine Ingenuity (Rotterdam), Van Oord Serviços de Operações Marítimas Ltda (Rio de Janeiro) and Complexo Industrial Portuário Eraldo Gueiros – Empresa Suape, Pernambuco, which are considered by the Brazilian NCP.</p> <p>On 3 December 2015, the NCP published its initial assessment accepting the specific instance for further examination. The NCP offered its mediation services to the parties with the objective of helping the parties reach an agreement on the NCP's recommendations regarding addressing issues connected to the case itself and issues relating to due diligence, monitoring and leverage for the export credit agency sector on the basis of the Guidelines. Both parties accepted and participated in several meetings between January 2016 and July 2016, enabling constructive dialogue to take place on the topics of disclosure, due diligence, and monitoring and evaluation between the submitters, and ADSB and the Ministry of Finance.</p> <p>On 30 November 2016, the NCP published a final statement concluding the specific instance. The NCP concluded that both the contracting party (CIPS, the commissioning company in Suape) and the contractor (Van Oord) could have improved their due diligence activities, including consultation with affected stakeholders.</p> <p>The NCP plans to follow-up on the outcomes of the dialogue in October 2017.</p>										
Human rights issues involving an Australian-owned multinational insurance company operating in New Zealand	New Zealand	Australia	Human rights	21-Nov-13	New Zealand	NGO	Financial and insurance activities	Concluded	01-11-2016	http://mneguidelines.oecd.org/database/instances/nz0003.htm
<p>On 15 June 2015 two individuals, through their representative NGO, filed a specific instance alleging breaches of their human rights by Southern Response Earthquake Services Limited (Southern Response) and New Zealand Permanent Trustees Limited (NZPT). More specifically, the submission alleged long delays, disputes over assessments and unnecessary complications in managing claims made after the 2010/11 Canterbury earthquake sequence had breached their rights to health, property, adequate housing and the rights of children and persons with disabilities.</p> <p>Southern Response is a Government-owned company established to settle claims by policyholders of Allied Mutual Insurance (AMI) for Canterbury earthquake damage which occurred before 5 April 2012. AMI was a local Mutual insurance company, owned by policyholders through the AMI Member Trust, which operated only within New Zealand. Large losses after the earthquakes eventually saw the restructuring and sale of the company, and the Government taking on responsibility for managing AMI's existing Canterbury earthquake claims as Southern Response. The rest of the business was bought by the Insurance Australia Group (IAG).</p> <p>The submitters argued that despite being owned by Government, Southern Response undertakes commercial activities through its management of the AMI claims, and its use of AMI's available reinsurance cover and international reinsurance generally, establishes the international link required to bring it within the scope of the Guidelines. The submitters also alleged that NZPT had a linked business relationship with AMI and Southern Response because of their then role as trustee for the AMI Member Trust, AMI's activities requiring international reinsurance, and because in undertaking its business as a professional trustee, NZPT is itself engaged in numerous international investment activities.</p> <p>Following investigation and consideration of the claim, the NCP rejected it on 9 March 2016 as being out of scope of the Guidelines and informed the claimants that it would not be proceeded with, as</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
neither Southern Response nor NZPT is a multinational enterprise (MNE). The final statement was issued in December 2016.										
Southern Response is entirely owned by the New Zealand Government, and only operates in New Zealand. It does not compete in the insurance market, has a purely domestic operation, and does not have a transnational focus. In terms of reinsurance, obtaining goods or services from overseas does not, in itself, make an entity an MNE. NZPT is a registered New Zealand company. It operates in New Zealand and is wholly owned by Public Trust (a government entity). NZPT's engagement with AMP's Superannuation Master Trust did not make it an MNE, nor could AMI's reinsurance activities sensibly make the NZPT an MNE.										
Southern Response Earthquake Services Limited (Southern Response), New Zealand Permanent Trustees Limited (NZPT) and individuals	New Zealand	None	Human rights	15-Jun-15	New Zealand	Individual	Financial and insurance activities	Not accepted	9 March 2016	http://mneguidelines.oecd.org/database/instances/nz0005.htm
On 15 June 2015 two individuals, through their representative NGO, filed a specific instance alleging breaches of their human rights by Southern Response Earthquake Services Limited (Southern Response) and New Zealand Permanent Trustees Limited (NZPT). More specifically, the submission alleged long delays, disputes over assessments and unnecessary complications in managing claims made after the 2010/11 Canterbury earthquake sequence had breached their rights to health, property, adequate housing and the rights of children and persons with disabilities.										
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Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Glencore/Perubar S.A. and Central Única de Trabajadores del Perú (CUT)	Peru	Switzerland	Competition, Concepts and Principles, Disclosure, General policies, Human rights	21-Apr-09	Peru	Trade union	Mining and quarrying	Concluded	16-05-2016	http://mneguidelines.oecd.org/database/instances/pe0004.htm
<p>On 21 April 2009, the Peruvian NCP received a submission from the Central Unica de Trabajadores del Perú (CUT) alleging that the rights of mining workers had not been observed during the closure process of a mine in Peru, managed by Perubar S.A., a subsidiary of the Swiss multinational Glencore Mineral A.G.</p> <p>On 18 June 2009, the NCP released its initial assessment. Although a judicial process was already underway the NCP decided to offer its good offices to promote dialogue between the parties.</p> <p>The NCP held several meetings with the parties involved and also proposed that both parties meet without the NCP in order to reach an out of court settlement. After these meetings, the company expressed its intention to address the issue in the conciliation phase of a regular judicial process.</p> <p>In February 2014, the first instance court handling this matter issued a judgment. CUT considered this judgment unfavourable and appealed. The NCP reiterated its efforts to help the parties reach an out of court settlement and met with both parties but the company decided not to engage in further dialogue with the CUT as it was satisfied with the judgement rendered.</p> <p>As a result, the NCP considered that it would not be possible to achieve an agreement amongst the parties and issued a final statement (Spanish) on 16 May 2016.</p> <p>In its final statement, the NCP recognised that its offer of good offices alone could not make a positive contribution to the resolution of the issues raised due to ongoing parallel proceedings. The NCP also acknowledged that it could not make a legal judgment with regard to the alleged non-observance but concluded that CUT had not sufficiently demonstrated that Perubar had not observed the OECD Guidelines.</p>										
Security sector in Brazil, Colombia, Paraguay and Peru	Spain	Brazil, Colombia, Peru	Concepts and principles, Employment and industrial relations, Human rights	26-Nov-13	Multiple: Brazil, Colombia, Paraguay, Peru	Trade union	Other service activities	Concluded	31-05-2016	http://mneguidelines.oecd.org/database/instances/es0005.htm
Summary to be added										
Statkraft AS and the Sami reindeer herding collective in Jijnjevaerie Sami Village	Sweden	Norway	Environment, General policies, Human rights	29-Oct-12	Sweden	Local community	Electricity, gas, steam and air conditioning supply	Concluded	08-Feb-16	http://mneguidelines.oecd.org/database/instances/se0004.htm
<p>In October 2012 the Swedish and Norwegian NCPs received a submission from the Sami reindeer herding collective in Jijnjevaerie Sami Village alleging that Statkraft AS, a Norwegian multinational enterprise, had not observed the general policies, human rights, and environment provisions of the Guidelines by planning to build a wind power plant on reindeer herding ground in Sweden.</p> <p>The Sami reindeer herding collective acknowledge that Statkraft had consulted with the community during the planning stages of the wind power plant, but content that "meaningful engagement" had not taken place. They requested that the NCPs mediate between the parties to reach such a positive solution to the situation.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>The NCPs met with both parties during the initial assessment process. The NCPs had decided to defer the case as a bilateral dialogue between the parties had been renewed since the submission was received by the NCPs. In September 2013, however, the Saami village again requested the NCPs to facilitate mediation and a mediation process was initiated. Mediation took place during the course of 2014 but no agreement could be reached.</p> <p>The NCPs of Sweden and Norway have therefore assessed Statkraft's compliance with the OECD Guidelines, which they present in their joint final statement along with their recommendations for future cooperation. For various reasons, the process has taken a disproportionately long time, and the NCPs regret this.</p> <p>The main question in the complaint is whether Statkraft has taken account of the Saami village's interests and respected their human rights in connection with the wind power project, including carrying out risk-based human rights diligence and consulting with the Saami village.</p> <p>The NCPs have not found any grounds for concluding that Statkraft has failed to comply with the OECD Guidelines. The NCPs have pointed to some areas where there is room for improvement, including that Statkraft/Statkraft SCA Vind AB (SSVAB) can work in a manner that even more clearly promotes indigenous people's rights and the implementation of the Guidelines.</p> <p>The NCPs recommend that the parties show renewed will to negotiate an agreement on the further development of the wind power projects, their scope and extent and compensation schemes.</p> <p>In a press release dated 24 August 2016, the NCPs of Sweden and Norway congratulated the parties on reaching an agreement on their own following the conclusion of the NCP process.</p>										
Fédération Internationale de Football Association (FIFA) and Americans for Democracy and Human Rights in Bahrain (ADHRB)	Switzerland	None	Human rights, General policies	11-Feb-16	Bahrain	NGO	Other service activities	Not accepted	17-Aug-16	http://mneguidelines.oecd.org/database/instances/ch0015.htm
<p>The NGO Americans for Democracy and Human Rights in Bahrain (ADHRB) filed a submission alleging that Fédération Internationale de Football Association (FIFA) has not observed the OECD Guidelines by allowing Sheikh Salman bin Ibrahim Al Khalifa to stand for candidacy in the FIFA presidential election without first carrying out adequate due diligence regarding human rights. According to the submitting party, the presidential candidate was responsible for punitive measures against football clubs and players in respect of their support for pro-democracy protests in Bahrain in 2011.</p> <p>In its initial assessment issued on 17 August 2016, the NCP did not accept the submission for the following reasons, among others: firstly, the activities mentioned in the submission were not of a commercial nature and therefore the NCP found that the OECD Guidelines were not applicable to this specific case; secondly, the OECD Guidelines do not foresee human rights due diligence for such election processes and therefore the alleged activities are not in the scope of the OECD Guidelines.</p>										
Viessmann and the trade union Türk Metal Sendikası	Turkey	None	Employment and industrial relations	10-Nov-14	Turkey	Trade union	Manufacturing	Concluded	02-Nov-16	http://mneguidelines.oecd.org/database/instances/tr0003.htm
<p>On 10 November 2014 the Turkish NCP received a submission from the trade union Türk Metal Sendikası alleging that Viessmann, a German multinational manufacturing enterprise operating in Turkey had not observed the employment and industrial relations provisions of the Guidelines. The allegations referred to employees' rights to freely engage in trade union activity.</p> <p>The NCP started the initial assessment, and following consultations with relevant authorities decided that the request merited further consideration. At the same time, the issue was the subject of ongoing legal parallel proceedings. The local court decided in favour of reinstatement of workers in April 2016. On 10 November 2014 the Turkish NCP received a submission from a trade union alleging that a German multinational manufacturing enterprise operating in Turkey had not observed the employment and industrial relations provisions of the Guidelines. The allegations referred to employees' rights to freely engage in trade union activity.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>Following the initial assessment phase, the Turkish NCP offered its good offices by proposing to hold joint meetings and mediation between the parties. In a letter to the NCP dated 11 August 2016, the company representatives informed the NCP that the company did not wish to participate in the joint meetings. The letter also stated that the representatives believed the complaint was unfounded and the OECD Guidelines had not been violated during their activities in Turkey.</p> <p>On these grounds, the Turkish NCP concluded the specific instance and issued a final statement on 2 November 2016.</p>										
Eurasian Natural Resources Corporation (ENRC) and the NGOs Rights and Accountability in Development (RAID) and Action Contre l'Impunité pour les Droits Humains (ACIDH)	United Kingdom	None	General policies, Human rights	03-May-13	Democratic Republic of the Congo	NGO	Mining and quarrying	Concluded	01-Feb-16	http://mneguidelines.oecd.org/database/instances/uk0035.htm
<p>In May 2013, the UK NCP received a submission from the NGOs Rights and Accountability in Development (RAID) and Action Contre l'Impunité pour les Droits Humains (ACIDH) alleging that Eurasian Natural Resources Corporation (ENRC) had not observed the general policies and human rights provisions of the Guidelines with its mining activities in the Democratic Republic Of Congo.</p> <p>In September 2013 the NCP has conducted an initial assessment and concluded that the specific instance merits further examination. The details of the NCP's decision and next steps are outlined in their initial assessment.</p> <p>The parties accepted an offer of mediation, but failed to reach an agreement. The UK NCP began its further examination of the complaint in February 2015 and issued a final statement to the parties in August 2015.</p> <p>On 19 August 2015, a Request was made on behalf of ENRC for by the UK National Contact Point. Upon completion of the review process the final statement on the specific instance was publically released in February 2016 along with the NCP Steering Board's conclusions on the review of the final statement.</p> <p>The final statement found that based on the information considered, ENRC had not engaged effectively with two stakeholder communities on the concession and had not taken adequate steps to address impacts on the communities that arise from delays in taking forward mining projects, and therefore determined that ENRC has not met obligations under the Guidelines.</p> <p>In the final statement the UK NCP issued recommendations on how ENRC could better engage with the local communities and apply leverage on its business partners to avoid and address adverse impacts. The UK NCP will make a follow-up statement on this specific instance in February 2017.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
An individual about his treatment by his employer, an energy company in Cameroon, between 2002 and 2014	United Kingdom	None	General policies, Disclosure	01-Jul-15	Cameroon	Individual	Electricity, gas, steam and air conditioning supply	Not accepted	27-06-2016	http://mneguidelines.oecd.org/database/instances/uk0048.htm
<p>On 14 July 2015, an individual submitted a specific instance to the NCP regarding his treatment by his employer, an energy company in Cameroon, between 2002 and 2014. The submission referred to a UK investment company that in 2014 acquired a majority shareholding in the employer company in Cameroon. The submission alleged that the UK investment company failed to improve the poor governance practices of the energy company, referring to alleged unjustified and arbitrary changes to the position and salary of the submitter, and the falsification or withholding of employment records.</p> <p>The NCP invited the UK investment company to respond. The company noted that it does not have any role in day to day management of the submitter's employer, but that on acquiring its shareholding, it made some changes to personnel and policies of this company to strengthen its corporate governance. It also noted that most events referred to in the submission occurred before its shareholding, and that the submitter's employment dispute had been addressed through the proper process and the compensation legally due to him has been paid.</p> <p>The UK NCP did not accept the specific instance for further examination. The information provided shows that the submitter may have a genuine employment grievance, but the UK NCP does not consider that the information substantiates an issue about the observance of the Guidelines by the UK company named.</p> <p>In June 2016, the UK NCP published an initial assessment not accepting the submission.</p>										
Human rights issues involving a UK defence equipment company and its relation to customers in Saudi Arabia	United Kingdom	None	Human Rights	06-Jun-16	Saudi Arabia	NGO	Public administration and defence	Not accepted	14-Oct-16	http://mneguidelines.oecd.org/database/instances/uk0047.htm
<p>On 6 June 2016, the UK NCP received a submission by two NGOs regarding the supply of munitions by a UK company to the government of Saudi Arabia. The NGOs alleged that the company did not address the human rights impacts of its operations and business relationships and therefore did not observe the Guidelines.</p> <p>Between June and August 2016, the NCP communicated with the NGOs and the company separately. The NCP made an offer to hold a meeting with both parties to explain the NCP process, which neither party accepted.</p> <p>On 14 October 2016, the UK NCP published its initial assessment not accepting the specific instance for further examination citing a lack of substantiation of the claims made by the NGOs and that considering the submission further would not serve the purpose and effectiveness of the Guidelines.</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
PepsiCo India and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)	United States	None	Employment and industrial relations	18-Nov-13	India	Trade union	Manufacturing	Concluded	15-Apr-16	http://mneguidelines.oecd.org/database/instances/us0037.htm
<p>In November 2013, the US NCP received a specific instance from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Works' Associations (IUF) alleging that PepsiCo India, a subsidiary of PepsiCo Inc. did not observe the Guidelines in India.</p> <p>Specifically it was alleged that between 5 January and 30 April 2013, 162 workers of 170 employed at 3 West Bengal warehouses contracted exclusively by PepsiCo were dismissed or compelled to resign solely as a consequence of exercising their right to join a union. IUF stated that PepsiCo, through its subsidiary in India, contracts these workers through Radhakrishna Food Land Pvt. Ltd. (RKFL), and in this capacity has facilitated workers' rights abuses through this subcontracting relationship. According to the IUF, PepsiCo had failed to perform the required human rights due diligence and therefore tacitly allowed these violations to persist.</p> <p>In response, PepsiCo emphasized that the IUF's complaint focused on the alleged actions of its contractor, and not PepsiCo or its subsidiary. PepsiCo maintains that the strike that led to the termination of the workers was illegal, as the strikers did not provide the required notice under Indian law. Regardless, PepsiCo stated that it did in fact use its relationship with RKFL to secure offers of re-employment to 28 of the workers that the IUF claims were specific victims of human rights violations. PepsiCo claims that the ultimate reason for the IUF complaint rests not on the alleged violations of the Guidelines in its relationship with RKFL; rather it stems from PepsiCo's refusal to enter into a formal global "relationship" with the IUF. Because it had already engaged in multiple discussions with the IUF and investigated their claims, PepsiCo declined the NCP's offer of mediation.</p> <p>The NCP offered its good office for mediation with the view that it might further dialogue between RKFL and its employees, supported by the IUF and PepsiCo.</p> <p>On 14 March 2014 PepsiCo responded that it had already engaged in discussions directly with the IUF and because of the inability to reach an agreement on the issues in question, PepsiCo declined the NCP's offer of mediation. The NCP therefore concluded the specific instance and issued a public statement regarding the outcomes.</p> <p>In November 2015, PepsiCo reached out to the NCP to ask if mediation would still be available. The NCP agreed to mediate the case and both parties returned to the table.</p> <p>Although they were not able to reach a mediated agreement, the parties and the USNCP found the dialogue and mediation process to be productive and useful.</p> <p>On 15 April 2016, the NCP released a final statement concluding the specific instance in which it recommended that PepsiCo update its Human Rights Workplace Policy, committing itself explicitly to the Guidelines and incorporating the human rights and labour chapters of the Guidelines as the standard for PepsiCo activities. PepsiCo has informed the USNCP that an update is already underway.</p> <p>The NCP commends both parties for their willingness to continue to work to resolve these issues and for their decision to return to the Specific Instance, even after it had been declared concluded, to make an attempt at a mediated solution.</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
Starwood Hotels & Resorts Worldwide and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)	United States	None	Employment and industrial relations, General policies, Human rights	9-Feb-15	Multiple: Ethiopia and Maldives	Trade union	Hotel, Restaurant and Catering	Concluded	12-May-16	http://mneguidelines.oecd.org/database/instances/us0042.htm
<p>On 9 February 2015, IUF, an international federation of trade unions, submitted a specific instance to the US NCP alleging conduct inconsistent with the chapters on General Policies, Human Rights and Employment and Industrial Relations of the OECD Guidelines by Starwood affiliates in the Maldives and Ethiopia.</p> <p>The US NCP determined that the matters raised merited further consideration and were relevant to the implementation of the Guidelines. As a result, on 9 July 2015, the US NCP issued an initial assessment to the parties offering mediation which was accepted by both parties.</p> <p>On 12 May 2016 the NCP published a final statement indicating that the mediation had resulted in agreement between the two parties. A statement was released upon conclusion of the mediation noting that:</p> <p>"Both parties have participated in the mediation process in good faith resulting in a successful outcome. The parties have reached full resolution of the concerns raised by IUF pertaining to the discharge of workers and the collective bargaining process at the Sheraton Addis Ababa hotel. In regards to Sheraton Maldives, the parties shall reconvene at an agreed location to continue to explore options in good faith to resolve the matter."</p> <p>In its final statement, the US NCP recommended that Starwood review their human rights policies and supplier code of conduct to make reference to the guidance on responsible business conduct available in the OECD Guidelines and indicated it would follow up with the parties within a year.</p>										
Grupo Comercial Chedraui and group of trade unions and NGOs	United States	Mexico	Employment and industrial relations	12-Nov-15	Mexico	Trade union	Wholesale and retail trade	Concluded	14-Jul-16	http://mneguidelines.oecd.org/database/instances/us0043.htm
<p>On 12 November 2015, the United Food & Commercial Workers Local 770 (UFCW), Los Angeles Alliance for a New Economy (LAANE), Frente Auténtico del Trabajo (FAT) and Project on Organizing, Development, Education and Research (PODER) submitted a specific instance to the US NCP alleging the non-observance of the OECD Guidelines by Bodega Latina (dba El Super), a subsidiary of Grupo Comercial Chedraui, in its operations in the United States.</p> <p>The submitters alleged that the company had violated US labor law and has not observed the OECD Guidelines chapters on employment and industrial relations regarding union activities of employees.</p> <p>The US NCP determined that the issues raised were bona fide and merited further consideration. A US NCP offer of mediation services is deferred due to ongoing mediation between the parties. This is because the mediation currently taking place potentially covers the same issues raised in the specific instance and is with the Federal Mediation and Conciliation Service (FMCS), the same mediators used by the US NCP.</p> <p>On 14 July 2016, the US NCP issued a final statement concluding the specific instance. In its final statement, the US NCP recommends that the OECD Guidelines be considered into the ongoing</p>										

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>mediation by FMCS and offers to provide any information or answer to questions in that regard. It also recommends that Grupo Comercial Chedraui and its subsidiary consider the recommendations in the OECD Guidelines and the G20/OECD Principles of Corporate Governance.</p> <p>In the event that the parties do not reach agreement in the current mediation, the US NCP is ready to consider an offer of mediation to the parties at that time.</p>										
ASARCO, Grupo Mexico, USW and Mineros	United States	Mexico	Employment and industrial relations, General policies, Human rights, Taxation	18-Feb-16	United States	Trade union	Mining and quarrying	Concluded	08-Aug-16	http://mneguidelines.oecd.org/database/instances/us0044.htm
<p>On 18 February 2016, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) and Sindicato Nacional de Trabajadores Mineros, Metalurgicos, Siderurgicos y Similares de la Republica Mexicana (Mineros) submitted a specific instance to the US NCP alleging the non-observance of the OECD Guidelines by Grupo Mexico and its US subsidiary, ASARCO, LLC. (ASARCO) in its operations in the United States.</p> <p>The submitters alleged that some ASARCO employees were working without an agreed contract due to a breakdown in collective bargaining negotiations, as well as that ASARCO “engaged in conduct designed to avoid reaching an agreement with the union”.</p> <p>On 6 July 2016, the US NCP offered mediation on several of the issues raised by the submitters in the specific instance. Grupo Mexico and its US subsidiary, ASARCO, declined to participate in mediation.</p> <p>This led the US NCP to conclude the specific instance on 8 August 2016. In its final statement the US NCP encouraged Grupo Mexico and ASARCO to consider the recommendations in the OECD Guidelines and the G20/OECD Principles of Corporate Governance. The US NCP also recommends that the parties use the ongoing NLRB process to help address the issues raised in this specific instance.</p>										
The Boeing Company and Lockheed Martin Corporation and European Centre for Democracy and Human Rights (ECDHR), Defenders for Medical Impartiality, and Arabian Rights Watch Association	United States		Unknown	23-Jun-16	Saudi Arabia, United States, Yemen	NGO	Manufacturing	Not accepted	18-Nov-16	http://mneguidelines.oecd.org/database/instances/us0045.htm
<p>On 23 June 2016, European Centre for Democracy and Human Rights, Defenders for Medical Impartiality, and Arabian Rights Watch Association (collectively “the Submitters”), human rights non-governmental organisations, submitted a specific instance to the NCP alleging that the Boeing Company and Lockheed Martin Corporation (collectively “the Companies”) did not observe the Guidelines. The events addressed in the specific instance cover a period from March 2015 to the submission date.</p> <p>The submitters alleged that the companies failed to take appropriate steps to ensure that their products did not cause or contribute to human rights abuses, and that the companies’ products directly contributed to adverse human rights impacts in Yemen through their use by the government of Saudi Arabia. The submitters also claimed that the companies did not have a relevant human rights policy and did not carry out appropriate human rights due diligence in the sale of their products.</p> <p>After thorough review of information provided, the NCP decided not to offer mediation, noting that the purpose of the Guidelines is to promote responsible business conduct by multinational enterprises. The specific instance concerned the conduct of particular States, and would have entailed an examination of state conduct, which would not serve to advance the Guidelines.</p> <p>More specifically, the NCP noted that this specific instance is inextricably intertwined with the practices of specific states, including Saudi Arabia and the United States. Arms sales to Saudi Arabia were</p>										

ANNEX 2. SPECIFIC INSTANCES CLOSED IN 2016

Title	Lead NCP	Supporting NCP(s)	Chapter(s)	Date submitted	Host country/ies	Source	Industry sector	Status	Date closed	Link
<p>completed through two processes: transfers completed by the U.S. government through the FMS program and Direct Commercial Sales (DCS) in which the exports were approved by the U.S. government. All arms transfer decisions are reviewed and approved under the criteria outlined in the Conventional Arms Transfer (CAT) Policy as detailed in Presidential Policy Directive 27 (PPD-27, January 15, 2014). Under PPD-27, the criteria considered includes the “likelihood that the recipient would use the arms to commit human rights abuses or serious violations of international humanitarian law, retransfer the arms to those who would commit human rights abuses or serious violations of international humanitarian law”. Additionally, for DCS cases, the State Department considers, pursuant to section 38(a)(2) of the AECA, among other factors, whether the sale would “increase the possibility of outbreak or escalation of conflict” or “support international terrorism”. The decision to use arms procured from the United States or these companies is a decision made by Saudi Arabia in its capacity as a sovereign state. However, the use must be consistent with the provisions of the agreement, or license, that was the basis for the sale or approval of the transfer.</p> <p>Accordingly, this specific instance concerns various state practices, which NCPs are not designed to assess.</p> <p>This led the NCP to close the specific instance on 18 November 2016. In its final statement, the NCP encouraged all U.S. companies in every sector to carry out human rights due diligence and avoid causing or contributing to adverse human rights impacts, and to consider referencing the OECD Guidelines in company human rights commitments. The NCP also noted that the U.S. government regularly engages with civil society and other stakeholders regarding any concerns with U.S. policy, including on the issues raised in the specific instance, and is available to discuss the issues further with the submitters.</p>										

Annex 3

NCP procedures to handle specific instances

	Closed a specific instance between 2011-2016	Rules of procedure on handling SI - available online	Provision(s) on confidentiality included in NCP rules of procedure	Provision(s) on campaigning included in NCP rules of procedure	Confirms receipt of a specific instance submission	Requests feedback from the parties on the procedure following the conclusion of a specific instance	NCP staff undergone training in dispute resolution or problem-solving (e.g. mediation)	Professional mediators engaged in 2016
Argentina	✓	✓	✓	✗	✓	✓	✗	✗
Australia	✓	✓	✓	✗	✓	✗	✗	✗
Austria	✓	✓	✓	✗	✓	✓	✓	✗
Belgium	✓	✓	✓	✗	✓	✗	✗	✗
Brazil	✓	✓	✓	✗	✓	✓	✗	✗
Canada	✓	✓	✓	✗	✓	✗	✓	✗
Chile	✓	✓	✗	✗	✓	✗	✓	✗
Colombia	✗	✓	✗	✗	✓	N/A	✗	✗
Costa Rica	✗	✓	✓	✗	N/A	N/A	✗	✗
Czech Republic	✗	✓	✓	✗	✗	✗	✓	✗
Denmark	✓	✓	✗	✗	✓	✓	✓	✓
Egypt	✗	✗	N/A	N/A	Not reported			
Estonia	✗	✗	N/A	N/A	N/A	N/A	✗	✗
Finland	✓	✓	✓	✗	✓	✗	✗	✗
France	✓	✓	✓	✗	✓	✓	✗	✗
Germany	✓	✓	✓	✓	✓	✗	✓	✗
Greece	✗	✓	✓	✗	✓	N/A	✗	✗
Hungary	✗	✗	N/A	N/A	✓	✗	✓	✗
Iceland	✗	✗	N/A	N/A	✗	N/A	✗	✗
Ireland	✓	✓	✓	✗	✓	✗	✗	✗
Israel	✗	✗	N/A	N/A	✓	N/A	✓	✗
Italy	✓	✓	✓	✗	✓	✓	✓	✗
Japan	✓	✓	✓	✓	✓	✗	✗	✗
Jordan	✗	✗	N/A	N/A	✗	N/A	✗	✗
Korea	✓	✓	✓	✗	✓	✓	✗	✓
Latvia	✗	✗	N/A	N/A	✓	✗	✗	✗
Lithuania	✗	✗	N/A	N/A	✗	N/A	✗	✗

	Closed a specific instance between 2011-2016	Rules of procedure on handling SI - available online	Provision(s) on confidentiality included in NCP rules of procedure	Provision(s) on campaigning included in NCP rules of procedure	Confirms receipt of a specific instance submission	Requests feedback from the parties on the procedure following the conclusion of a specific instance	NCP staff undergone training in dispute resolution or problem-solving (e.g. mediation)	Professional mediators engaged in 2016
Luxembourg	✓	✓	✓	✗	✓	✓	✗	✗
Mexico	✓	✓	✓	✗	✓	✓	✗	✗
Morocco	✓	✓	✓	✗	✓	✓	✗	✗
Netherlands	✓	✓	✓	✓	✓	✓	✗	✓
New Zealand	✓	✓	✓	✗	✓	✓	✓	✗
Norway	✓	✓	✓	✗	✓	✓	✗	✓
Peru	✓	✓	✓	✗	✓	✓	✗	✗
Poland	✗	✓	✓	✗	✓	✓	✓	✗
Portugal	✗	✗	N/A	N/A	✗	N/A	✗	✗
Romania	✗	✗	N/A	N/A	Not reported			
Slovak Republic	✗	✓	✓	✗	✓	✗	✗	✗
Slovenia	✗	✗	N/A	N/A	✗	N/A	✗	✗
Spain	✓	✓	✓	✗	✓	✓	✗	✗
Sweden	✓	✗	N/A	N/A	✓	✓	✓	✗
Switzerland	✓	✓	✓	✗	✓	✓	✓	✓
Tunisia	✗	✗	N/A	N/A	Not reported			
Turkey	✓	✓	✓	✗	✓	✓	✓	✓
United Kingdom	✓	✓	✓	✓	✓	✓	✗	✓
United States	✓	✓	✓	✓	✓	✓	✗	✓
Total	28	33	30	8	35	21	14	8

Annex 4

Location of the NCP and Ministries involved in NCP institutional arrangements

	Location of the NCP	Economy, business, trade, innovation, commerce, enterprise	Foreign affairs	Labour, employment, social affairs	Environment, agriculture	Justice	Other: education, health, immigration, etc.	Other public authority
Argentina	Ministry of Foreign Affairs and Worship, National Directorate for Multilateral Economic Negotiations	<i>No other Ministries involved</i>						
Australia	The Treasury, Foreign Investment Division	✓	✓	✓		✓	✓	
Austria	Federal Ministry of Science, Research and Economy, Directorate-General for External Trade Policy and European Integration, Department for EU- Coordination	✓	✓	✓			✓	✓
Belgium	Ministry of Economy, International Economy	✓	✓	✓	✓	✓	✓	
Brazil	Ministry of Finance, Secretariat of International Affairs	✓	✓	✓	✓	✓	✓	✓
Canada	Global Affairs Canada, International Business Development, Trade Commissioner Service	✓	✓	✓	✓			✓
Chile	Ministry of Foreign Affairs, OECD Department, at the General Directorate for International Economic Relations.	✓	✓	✓	✓			✓
Colombia	Trade Ministry, Foreign Investment and Services Department	<i>No other Ministries involved</i>						
Costa Rica	Ministry of Foreign Trade, Investment and Cooperation Division	<i>No other Ministries involved</i>						
Czech Republic	Ministry of Industry and Trade, European and International Law Department	✓	✓	✓	✓	✓		
Denmark	Independent agency Secretariat located in Ministry of Industry, Business and Financial Affairs, Danish Business Authority	<i>No other Ministries involved</i>						
Egypt		<i>No report</i>						
Estonia	Ministry of Economic Affairs and Communications, Economic Development Department		✓	✓	✓			✓
Finland	The Ministry of Economic Affairs and Employment, Labour and Trade Department	✓	✓	✓	✓		✓	
France	Ministry of Economy and Finance, Directorate General of the Treasury	✓	✓	✓	✓			

ANNEX 4. LOCATION OF THE NCP AND MINISTRIES INVOLVED IN NCP INSTITUTIONAL ARRANGEMENTS

	Location of the NCP	Economy, business, trade, innovation, commerce, enterprise	Foreign affairs	Labour, employment, social affairs	Environment, agriculture	Justice	Other: education, health, immigration, etc.	Other public authority
Germany	Federal Ministry for Economic Affairs and Energy, Directorate-General for External economic policy	✓	✓	✓	✓	✓		✓
Greece	Ministry of Economy and Development, Department of International Investment Policy and Bilateral Investment Treaties Monitoring	No other Ministries involved						
Hungary	Ministry for National Economy, EU and International Finance Department		✓		✓	✓	✓	
Iceland	The Ministry of Industries and Innovation, Department of Business Affairs, Innovation and Tourism	No other Ministries involved						
Ireland	Department of Jobs, Enterprise and Innovation, Trade Policy Unit	No other Ministries involved						
Israel	Ministry of Economy & Industry, Foreign Trade Administration	✓	✓			✓	✓	
Italy	Ministry of the Economic Development, Directorate General for Industrial Policy, Competitiveness and Small and Medium Enterprises	✓	✓	✓	✓	✓	✓	✓
Japan	Ministry of Foreign Affairs; Ministry of Health, Labour and Welfare; Ministry of Economy, Trade and Industry, Economic Affairs Bureau; International Affairs Division ; Trade and Economic Cooperation Bureau	No other Ministries involved						
Jordan	Investment Promotion Agency	✓	✓	✓	✓	✓	✓	✓
Korea	Ministry of Trade, Industry and Energy, Overseas Investment Division			✓	✓			
Latvia	Ministry of Foreign Affairs, Economic Relations and Development Cooperation Policy Department	✓	✓		✓		✓	✓
Lithuania	Independent agency Secretariat located in the Ministry of Economy of the Republic of Lithuania, Investment and Export Department	✓		✓	✓	✓		
Luxembourg	Ministry of the Economy, Legal	✓	✓	✓				
Mexico	Secretariat of Economy, Directorate General of Foreign Investment	No other Ministries involved						
Morocco	Investment Promotion Agency	✓	✓	✓	✓			
Netherlands	Independent agency Attached to the Ministry of Foreign Affairs, Department of CSR	✓	✓	✓	✓			
New Zealand	Ministry of Business Innovation and Employment, International Strategy, Science Innovation and International		✓			✓		✓
Norway	Independent agency	✓	✓					

ANNEX 4. LOCATION OF THE NCP AND MINISTRIES INVOLVED IN NCP INSTITUTIONAL ARRANGEMENTS

	Location of the NCP	Economy, business, trade, innovation, commerce, enterprise	Foreign affairs	Labour, employment, social affairs	Environment, agriculture	Justice	Other: education, health, immigration, etc.	Other public authority
Peru	Investment Promotion Agency	<i>No other Ministries involved</i>						
Poland	Ministry of Economic Development, Office of the Minister	<i>No other Ministries involved</i>						
Portugal	Ministry of Economy, Directorate-General for Economic Affairs and Ministry of Foreign Affairs, Investment Promotion Agency	<i>No other Ministries involved</i>						
Romania	Investment Promotion Agency (InvestRomania) Located in the Ministry for the Business Environment, Trade and Entrepreneurship	<i>No other Ministries involved</i>						
Slovak Republic	Ministry of Economy of the Slovak Republic, Department of the Bilateral Trade Cooperation	✓	✓	✓	✓	✓	✓	✓
Slovenia	Ministry of Economic Development and Technology, Directorate for Tourism and Internationalisation	<i>No other Ministries involved</i>						
Spain	Ministry of Economy, Industry and Competitiveness, International Trade in Services and Investment Unit (Secretary of State for Trade)		✓	✓		✓		
Sweden	Ministry for Foreign Affairs, Department for promotion, trade and CSR	✓		✓	✓			
Switzerland	Federal Department of Economic Affairs, Education and Research EAER, State Secretariat for Economic Affairs	✓	✓	✓	✓	✓		
Tunisia		<i>No report</i>						
Turkey	Ministry of Economy, General Directorate of Incentive Implementation and Foreign Investment	<i>No other Ministries involved</i>						
United Kingdom	Department for International Trade (DIT), Trade Policy	✓	✓				✓	✓
United States	Department of State (Foreign Affairs Ministry), Bureau of Economic and Business Affairs	✓		✓	✓		✓	✓
Total		24	25	23	21	14	12	13

Annex 5

Events organised and co-organised by NCPs to promote the Guidelines

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Austria	Taking Responsibility in Global Supply Chains	06-04-2016	Federal Ministry of Science, Research and Economy, Austria	10 – 50	Organised	Business Representatives, NGOs, Trade Unions, Government Representatives
	Due Diligence in International Business Transactions	28-06-2016	Federal Ministry of Science, Research and Economy, Austria	10 – 50	Organised	Business representatives, NGOs, Trade Unions, Government Representatives
	Part of the Business Reality Check: 40 Years OECD Guidelines for Multinational Enterprises	24-10-2016	Austrian Federation of Industries Austria	50-100	Organised	Business representatives, NGOs, Trade Unions, Government Representatives
Belgium	Roundtable on agricultural supply chains	26-05-2016	Brussels, Belgium	10 – 50	Organised	Businesses, NGOs, Trade Unions, Government representatives and Academia
	Roundtable on Responsible Supply Chain of Minerals from Conflict and High-Risk areas	20-10-2016	Brussels, Belgium	10 – 50	Organised	Businesses, NGOs, Trade Unions, Government representatives and Academia
	Seminar on anti-corruption for Belgian companies overseas	09-12-2016	Brussels, Belgium	50-100	Organised	Businesses, NGOs, Trade Unions, Government representatives, Academia and General Public
	Annual meeting with the expert network	04-02-2016	Brussels, Belgium	10 – 50	Organised	Businesses, NGOs, Trade Unions, Government representatives and Academia

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Canada	NCP 2016 Stakeholder Session	12-12-2016	Ottawa, Canada	50-100	Organised	Business, civil society organizations, unions, academia, government
	CSR Speaker Series	29-05-2016	Ottawa, Canada	10 – 50	Co-organised	Government representatives
	Responsible Sourcing Initiative	12-09-2016	Ottawa, Canada	10 – 50	Co-organised	Business, CSOs, government
Colombia	Regional Workshop on responsible mineral Supply chains	01-12-2016 and 02-12-2016	Tequendama Hotel, Colombia	>100	Co-organised	Business representatives, NGOs, Government representatives
	Third Regional Workshop “Business and Human Rights”	08-11-2016 to 10-11-2016	Bogota, Medellín, Cali, Colombia	50-100	Co-organised	Business representatives, NGOs, Trade Unions, Government Representatives
	Second Regional Workshop “Business and Human Rights”	26-07-2016 to 27-07-2016	Andi, Bogota, Colombia	10 – 50	Co-organised	Business representatives, NGOs, Trade Unions, Government Representatives
	First Regional Workshop “Business and Human Rights”	18-05-2016 and 19-05-2016	Bogota, Colombia	10 – 50	Co-organised	Business representatives, NGOs, Trade Unions, Government Representatives
Costa Rica	Costa Rica’s accession process to the OECD: Guidelines for Multinational Enterprises	04-11-2016	San José, Costa Rica-Costa Rican Investment Promotion Agency	10 – 50	Co-organised	Multinational enterprises in Free Zone Areas
Denmark	Delegation from Iran	24-02-2016	Denmark	10 – 50	Co-organized	Delegation from the Government of Iran on Human Rights
	CSR conference 2016	09-09-2016	Denmark	>100	Co-organised	Confederation of Danish Enterprises, Danish Accountants
	Workshop: due diligence in the textile industry	31-10-2016	Denmark	10 – 50	Organised	Business representatives
	Due diligence in public procurement	24-11-2016	Denmark	10 – 50	Organised	Government representatives
	Information meeting on due diligence	20-12-2016	Denmark	10 – 50	Organised	All

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Estonia	CSR in Estonia: introducing the analyse and further challenges	19-09-2016	Tallinn, Estonia	10 – 50	Co-organised	Business representatives, NGOs, General public
Finland	Global Responsible Conduct Today-40 Years of the OECD Guidelines for Multinational Enterprises	25-08-2016	The House of Estates, Helsinki, Finland	50-100	Organised	Business representatives, trade unions, NGOs, government representatives, government agencies, civil society, journalists.
	Round table on human rights due diligence	05-04-2016; 31-05-2016; 06-09-2016; 19-09-2016; 13-10-2016; 01-12-2016	The Ministry of Economic Affairs and Employment and the Ministry for Foreign Affairs	10 – 50	Organised	Business representatives, trade unions, NGOs, and government representatives.
France	From compliance to competitiveness	06-01-2016	Ministry of Economy and Finance, Paris	>100	Co-organised	Business representatives, Government representatives
	Responsible textile supply chains	15-02-2016	Ministry of Labor, Paris	10 – 50	Co-organised	Business representatives, NGOs, Trade Unions, Government representatives
	Responsible business conduct in agriculture	11-03-2016	OECD, Paris	50-100	Co-organised	Business representatives, NGO, Trade Union, Government representatives, public
	Responsible business conduct	17-03-2016	Ministry of Economy, Paris	<10	Organised	Business representatives
	National Contact Points	24-03-2016	Ministry of Economy, Paris	<10	Organised	Academia
	Responsible business conduct	25-03-2016	Ministry of Economy, Paris	<10	Organised	Business representatives
	National Contact Point	30-03-2016	Ministry of Economy, Paris	<10	Organised	Academia
	Responsible business conduct in supply chains	04-04-2016	CCFA, Paris	<10	Co-organised	Business representatives
	Responsible textile supply chains	05-04-2016	Ministry of Labour, Paris	10 – 50	Co-organised	Business representatives, NGOs, Trade Unions, Government representatives
	HR Impact Assessment	26-04-2016	Ministry of Economy, Paris	<10	Organised	Academia

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
	Responsible business conduct in China	29-04-2016	Ministry of Economy, Paris	<10	Organised	Academia
	National Contact Point's specific instance "Socapalm"	09-05-2016	Ministry of Economy, Paris	<10	Organised	Academia
	Responsible textile supply chains	12-05-2016	Ministry of Labour, Paris	10 – 50	Co-organised	Business representatives, NGOs, Trade Unions, Government representatives
	MNE in international law	26-05-2016	Ministry of Economy, Paris	<10	Organised	Academia
France	Responsible business conduct initiatives	02-06-2016	Ministry of Economy, Paris	<10	Organised	Academia
	Responsible business conduct - National Contact Point	27-06-2016	MEDEF, Paris	10 – 50	Co-organised	Business representatives
	Due Diligence in supply chain	<i>not reported</i>	Ministry of Economy, Paris	<10	Organised	Business representatives (Audit)
	National Contact Points	22-09-2016	AMDI, Rabat, Morocco	<10	Co-organised	Members of Morocco NCP, Secretary General of the French NCP
	Due Diligence	27-09-2016	Pernod Ricard, Paris	10 – 50	Co-organised	Working Group on Human Rights of UN Global Compact France, business representatives
	Responsible minerals	19-10-2016	Medef, Paris	50-100	Co-organised	Business representatives, Government representative, Sectoral Initiative (CFSI)
	OECD National Contact Points	17-10-2016	Ministry of Economy, Paris	<10	Organised	Academia
	Responsible business conduct	17-10-2016	Ministry of Economy, Paris	<i>not reported</i>	Co-organised	Academia
	National Contact Point annual meeting	15-11-2016	University Paris Dauphine	>100	Organised	Academia, Business representatives, Civil society, Trade Unions, international organisation (OECD, ILO), Governments, Others

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
	National Contact Points	22-12-2016	Ministry of Economy	<10	Organised	Academia
Germany	The OECD-FAO Guidance for Responsible Agricultural Supply Chains	05-07-2016	Federal Ministry of Food and Agriculture	50-100	Co-organised	Business, NGOs and Trade Unions
Greece	The OECD Guidelines and the role of National Contact Points	16-12-2016	Athens, Greece	10 – 50	Organised	Business representatives, NGOs, Trade unions
Hungary	Workshop on Good Practices in Promoting Responsible Business Conduct	20-06-2016	Budapest, Hungary	50-100	Organised	All Responsible business conduct stakeholders
	Second Budapest Conference on Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises	17-11-2016 and 18-11-2016	Budapest, Hungary	50-100	Organised	All Responsible business conduct stakeholders
Israel	Israel's CSR Experience	30-11-2016	Tel Aviv, Israel	>100	Co-organised	MNEs, Business representative, Ethical advisors
	CSR Forum	15-02-2016	Tel Aviv, Israel	10 – 50	Co-organised	NGOs, Government officials
	Global Forum for Israel	21-02-2016	Jerusalem, Israel	>100	Co-organised	NGOs, Government officials
	Economic Representatives Cadet Course	03-04-2016	Jerusalem, Israel	10 – 50	Organised	Future diplomats
Italy	International Congress "The OECD Guidelines for Multinational Enterprises and the National Contact Points: Achievements and Challenges in the Global Scenario"	13-09-2016	Ministry of Economic Development, Italy	>100	Organised	Business representatives, NGOs, Trade Unions, General Public
Japan	Conference on OECD Guidelines for MNE	13-09-2016	Keidanren (Japan Business Federation), Japan	>100	Co-organised	Business representatives
Korea	Korean NCP Seminar for the 40 th anniversary of the OECD Guidelines for MNEs	17-02-2016	Seoul, Korea	50-100	Organised	Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
	Seminar for Global Competition	03-03-2016	Seoul, Korea	50-100	Co-organised	Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.
	Conference for the academia of trade	24-06-2016	Kyungju, Korea	>100	Co-organised	Academia
	Community relations center : Master-dream	27-06-2016	Seoul, Korea	10 – 50	Co-organised	Business representatives
	Seminar for supporting overseas-investment	02-12-2016	Seoul, Korea	50-100	Co-organised	Business representatives
	Meeting with the Responsible Investment Team of the National Pension Service	15-04-2016	Seoul, Korea	<10	Organised	
Latvia	Business integrity	27.10.2016	Riga, Latvia	50-100	Organised	Business representatives, NGOs, Academia, General public,
	Sustainability Week, Sustainability Index Award ceremony	06.-12.06.2016	Riga, Latvia	>100	Co-organised	Business representatives, Government representatives, Trade unions, NGOs, Academia, General public.
Mexico	3 rd National Forum of Corporate Social Responsibility in Mexico.	06-10-2016	Mexico City, Mexico	>100	Organised	Business representatives, NGOs, Trade Unions, Academia, Government representatives.

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Morocco	Entreprise responsable : Environnement et changement Climatique	21-09-2016	Rabat, Morocco	10 – 50	Organised	Business representatives, NGOs, Trade Unions, foreign embassy representatives, chamber of commerce, academia, industry initiatives, etc
Netherlands	OECD-Guidelines 40 years onwards	03-11-2016	The Hague, Netherlands	50-100	Organised	Multinational Enterprises, NGOs, Universities, Government representatives
	CSR Risk management in internal processes	19-04-2016	The Hague, The Netherlands	50-100	Organised	Multinational Enterprises, NGOs, Universities, Government representatives
	CSR Training Workers Council members	16-11-2016	The Hague, Netherlands	Other	Organised	Worker's Council members of Multinational Enterprises
Norway	OECD Guidelines NCP functioning	16-02-2016	Brasilia, Brazil	<10	Co-organised	National Contact Point Brazil
	Human Rights Due Diligence for businesses	18-02-2016	Oslo, Norway	10 – 50	Organised	Norwegian businesses
	Annual meeting with Civil Society network	31-03-2016	Oslo, Norway	10 – 50	Co-organised	Civil Society

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
	Human Rights Due Diligence for businesses	04-04-2016	Oslo, Norway	10 – 50	Organised	Norwegian Businesses
	CRS Seminar in Nairobi	13-04-2016	Nairobi, Kenya	10 – 50	Co-organised	Businesses, government and civil society
	The OECD Guidelines in promoting business development in the South in the Norwegian agency for Development Cooperation	27-04-2016	Oslo, Norway	10 – 50	Co-organised	Government
	Norwegian Confederation of Trade Unions (LO)	20-05-2016	Oslo, Norway	<10	Co-organised	Trade Unions, affiliated unions
	Human rights due diligence for government agencies promoting business development abroad	30-08-2016	Oslo, Norway	10 – 50	Organised	Relevant governmental institutions
	Human Rights due diligence for businesses	11-10-2017	Oslo, Norway	10 – 50	Organised	Norwegian Businesses
	Consultations between business society and stakeholder groups, in particular indigenous people	19-10-2016	Oslo, Norway	10 – 50	Organised	National Human Rights Institutions, government agencies, business organisations (extractive industry)
	Cooperation Norwegian NCP and Norway's National Human Rights Institution	19-10-2016	Oslo, Norway	10 – 50	Organised	Norway's National Human Rights Institution
	Due diligence guidance for meaningful stakeholder engagement in the extractive sector	08-11-2016	Oslo, Norway	10 – 50	Organised	Stakeholders and businesses in the extractive sector, government representatives, business organisations

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Peru	Promoting Good Practices in Business Responsibility in Mining.	19-09-2016 and 20-09-2016	Lima, Peru	50-100	Organised	Business representatives, Government representatives, academia, NGOs, Embassies, Bilateral Chambers of Commerce, representatives from NCPs from Chile and Mexico.
	Workshop. Stakeholder engagement and due diligence in extractive sectors	20-09-2016	Lima, Peru	10 – 50	Co-organised	Government representatives and experts in responsible business conduct from companies in extractive sectors located in Peru.
Poland	International conference: Responsible development – responsible business conduct 40 years of OECD Guidelines for Multinational Enterprises 20 years of Poland's membership in the OECD	06-10-2016	Ministry of Economic Development, Warsaw, Poland	>100	Organised	Business representatives, NGOs, Trade unions, Academia, Government representatives
	Training for public administration	02-12-2016	Ministry of Economic Development, Warsaw, Poland	>100	Organised	Civil servants of the Ministry of Economic Development and Ministry of Finance
	Training for public administration	June-December 2016	Ministry of Economic Development, Warsaw, Poland	10 – 50	Organised	Civil servants from the trade and investment sections of a number of countries
	Non-financial disclosure – Polish version of GRI G4 standard	28-06-2016	Ministry of Economic Development, Warsaw, Poland	>100	Co-organised	The representatives of Polish companies, trade unions, NGO, academia

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
Portugal	Corporate Sustainability: Challenges and Opportunities	24-11-2016	Lisbon, Portugal	50-100	Co-organised	Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.
Sweden	How to improve competitiveness through better industrial relations	12-04-2016	Ho Chi Minh City, Vietnam	>100	Co-organised	Business, NGOs, media etc
Switzerland	Implementation of the CSR Action-Plan	28-01-2016	Berne, Switzerland	10 – 50	Organised	Multistakeholder
	Brown Bag Lunch at SECO	16-02-2016	Berne, Switzerland	>100	Organised	Civil servants of State Secretariat for Economic Affairs
Turkey	Mediation Training Seminar for Lawyers	14-04-2016	Ankara, Turkey	10 – 50	Co-organised	Lawyers and government representatives
	Corporate Social Responsibility	16-11-2016	Ankara, Turkey	<10	Organised	Academia
United Kingdom	National Contact Point Cases	06-01-2016	London, United Kingdom	<10	Co-organised	Government
	National Contact Point Cases	25-01-2016	London, United Kingdom	<10	Co-organised	NGOs
	Working together	28-01-2016	London, United Kingdom	<10	Co-organised	NGOs
	OECD Guidelines & UK NCP	07-04-2016	London, United Kingdom	<10	Co-organised	Textile and Garment multinational companies
	OECD Guidelines & Construction Sector	15-04-2016	London, United Kingdom	50-100	Co-organised	Business, NGOs, Trade Unions, Government and Academia
	NGO Bilateral	20-04-2016	London, United Kingdom	<10	Co-organised	NGOs
	Business and CSR	25-07-2016	London, United Kingdom	<10	Co-organised	Japanese Business representatives
	OECD Guidelines & UK NCP	08-09-2016	London, United Kingdom	<10	Co-organised	Government

ANNEX 5. EVENTS ORGANISED AND CO-ORGANISED BY NCPS TO PROMOTE THE GUIDELINES

National Contact Point	Title	Date	Location	Size of audience	Organised or co-organised	Target audience <i>e.g. Business representatives, NGOs, Trade unions, Academia, General public, Government representatives, etc.</i>
United States	Secretary of State's Award for Corporate Excellence	05-03-2016	Washington D.C., United States	>100	Organised	US business, civil society, labour, academia, government officials, etc.
	Accountability Counsel Board Meeting	11-03-2016	Washington D.C., United States	<10	Co-organised	Civil Society
	Voluntary Principles on Security and Human Rights Plenary	20-04-2016 to 22-04-2016	Bogota, Colombia	50-100	Co-organised	Extractive industry companies, civil society, governments
	Mediator Training on OECD Guidelines	13-10-2016	Washington D.C., United States	Other	Organised	US NCP Mediators and Interagency Working Group members
	Rollout of the U.S. National Action Plan on Responsible Business Conduct	16-12-2016	Washington D.C., United States	50-100	Co-organised	US business, civil society, labour, academia, government officials, etc.

Annex 6

Content of NCP websites

		Guidelines and NCP					Specific instances			Promotional events		Contact information		
	Website	The text of the Guidelines	A description of the Guidelines	Information on the NCP and its mandate	The 2015 NCP Annual Report submitted to the OECD	The NCP's own 2015 Annual Report	Information on how to submit a specific instance	The NCP's rules of procedures	All final statements since 2011	Information on upcoming events promoting the Guidelines	Information on past events promoting the Guidelines	Information on how to make an enquiry to the NCP	A phone number to reach the NCP directly	An email address to reach the NCP directly
Argentina	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Australia	✓	✓	✓	✓			✓	✓	✓			✓	✓	✓
Austria	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Belgium	✓	✓	✓	✓	✓		✓	✓	✓				✓	✓
Brazil	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Canada	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Chile	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Colombia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Costa Rica	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Czech Republic	✓	✓	✓	✓			✓	✓			✓	✓		✓
Denmark	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Egypt	No report													
Estonia	✓	✓	✓	✓						✓	✓			✓
Finland	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		✓
Germany	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓

ANNEX 6. CONTENT OF NCP WEBSITES

		Guidelines and NCP					Specific instances			Promotional events		Contact information		
	Website	The text of the Guidelines	A description of the Guidelines	Information on the NCP and its mandate	The 2015 NCP Annual Report submitted to the OECD	The NCP's own 2015 Annual Report	Information on how to submit a specific instance	The NCP's rules of procedures	All final statements since 2011	Information on upcoming events promoting the Guidelines	Information on past events promoting the Guidelines	Information on how to make an enquiry to the NCP	A phone number to reach the NCP directly	An email address to reach the NCP directly
Greece	✓	✓	✓	✓			✓	✓				✓	✓	✓
Hungary	✓	✓	✓	✓	✓	✓			✓	✓	✓		✓	✓
Iceland	✓	✓	✓	✓								✓	✓	✓
Ireland	✓	✓	✓	✓			✓	✓				✓	✓	✓
Israel	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
Italy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓			✓	✓	✓			✓	✓	✓
Jordan	No website													
Korea	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
Latvia	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓
Lithuania	✓	✓	✓	✓	✓							✓	✓	✓
Luxembourg	✓	✓	✓	✓			✓	✓	✓			✓	✓	✓
Mexico	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Morocco	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Netherlands	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
New Zealand	✓	✓	✓	✓	✓		✓	✓	✓			✓		✓
Norway	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peru	✓	✓		✓	✓		✓	✓			✓	✓	✓	✓
Poland	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓
Portugal	✓	✓	✓	✓	✓								✓	✓
Romania	✓	✓	✓	✓								✓	✓	✓
Slovak Republic	✓	✓	✓	✓	✓		✓	✓				✓	✓	✓
Slovenia	✓	✓	✓	✓	✓							✓	✓	✓

		Guidelines and NCP					Specific instances			Promotional events		Contact information		
	Website	The text of the Guidelines	A description of the Guidelines	Information on the NCP and its mandate	The 2015 NCP Annual Report submitted to the OECD	The NCP's own 2015 Annual Report	Information on how to submit a specific instance	The NCP's rules of procedures	All final statements since 2011	Information on upcoming events promoting the Guidelines	Information on past events promoting the Guidelines	Information on how to make an enquiry to the NCP	A phone number to reach the NCP directly	An email address to reach the NCP directly
Spain	✓	✓	✓	✓				✓			✓	✓		✓
Sweden	✓	✓	✓	✓					✓				✓	✓
Switzerland	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Tunisia	No report													
Turkey	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
United Kingdom	✓	✓	✓	✓			✓	✓	✓			✓	✓	✓
United States	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Total:	43	43	41	43	27	16	33	33	28	18	25	38	37	43

Annex 7

Belgium NCP peer review report: Key findings and recommendations

The report of the Belgium NCP peer review was addressed at the meeting of the National Contact Points in June 2016.¹ A summary of the main findings and recommendations follows:

Belgium adhered to the OECD Declaration on International Investment and Multinational Enterprises (Investment Declaration) in 1976 and created an NCP in 1980. The Belgian NCP benefits from strong institutional memory along with experience of handling a total of 17 specific instances between 2000 and 2015. The NCP is based in the Ministry of Economy which is known as the Federal Public Service Economy in Belgium. The NCP benefits from a tripartite structure, bringing together representatives of various government departments, employer organisations and trade unions.

The Belgian NCP has been active both in its promotion of the Guidelines and in its handling of specific instances. The specific instances received by the NCP have covered a wide range of topics and the NCP has each time taken steps to build constructive dialogue between the parties involved. The members of the NCP secretariat are committed to the work of the NCP and have maintained NCP activities in spite of limited resources available.

Institutional arrangements: The tripartite structure of the NCP with its 17 members is designed to reflect a diversity of views during the NCP specific instance process. In addition, the NCP is supported by a large advisory body of experts covering a range of expertise. The institutional memory within the office is strong. Since 2012, all NCP records have been stored electronically. It is projected to use the government plan for the transmission of knowledge should there be staff changes in the future.

However, the Belgian NCP has limited resources available and no designated budget for NCP activities or for providing mediation services. The role of the members of the NCP is unclear (length of mandate, functions, competencies etc.) and there is no process in place for the appointment of a new chair or to ensure continuity in case of changes in secretariat staff. In addition, there are no written procedures available explaining how the NCP works and what the decision powers of the NCP members and of its secretariat are.

Core criteria:

- ***Visibility:*** The Belgian NCP has a dedicated website which is available in Dutch and in French. The website contains a number of helpful resources and includes final statements and press releases for specific instances. The website is not easy to find through online searches since it is situated several layers into the ministry of economy website.

¹ Belgium National Contact Point Peer Review Report

- **Accessibility:** The NCP has a long-standing relationship with NGOs and civil society in general and responds to requests for appointments.
- **Transparency:** The Belgian NCP publishes final statements of specific instances and makes them available on its website; these statements are most often accompanied by a press release. In addition, the Belgian NCP reports annually to the OECD Investment Committee and makes these reports available on its website. However, the Belgian NCP does not produce a written initial assessment; the initial assessment is an oral agreement between the NCP members.
- **Accountability:** The NCP reports annually to the Minister of Economy; however there is no formal reporting requirement within the government on the activities of the NCP.

	Findings	Recommendations
1.1	The functioning of the NCP at present is dependent upon a few key figures, notably the Chair and secretariat members and there are few written procedures beyond the legal instrument establishing the NCP.	Belgium should establish written procedures regarding the practical functioning of the NCP, including the procedure for appointing a chair, to ensure clarity and continuity. Such procedures should be made available online.
1.2	There is confusion regarding the various roles of members of the NCP and the expert network.	Belgium should ensure the roles of members of the NCP and the expert network are clearly explained and provide information regarding members based in different government departments.
1.3	There are limited human and financial resources available to the Belgian NCP and no dedicated budget for mediation/conciliation expertise.	Belgium should ensure that sufficient human and financial resources are made available to the NCP, including funds for mediation purposes.
1.4	A National Action Plan on Business and Human Rights is in the process of being developed and will include a section on the NCP.	Belgium should ensure the role of NCP and promotion of the Guidelines is integrated into the National Action Plan and take steps to align policy objectives by increasing the resources available to the NCP.
1.5	There is no formal reporting requirement within the government on the activities of the NCP.	Belgium should create an internal reporting mechanism within the government or parliament for the NCP to demonstrate accountability. As part of this exercise, the Belgian NCP could request a regular budget.

Promotion of the Guidelines: the promotional strategy of the Belgian NCP could be enhanced to focus on organisations less familiar with the work of the NCP. In addition, there was some confusion with regards the respective roles of the NCP members and the

expert network, along with a lack of awareness of the scope of the Guidelines. To increase efficiency and impact, alignment with the promotion of the future National Action Plan on Business and Human Rights could be helpful.

	Findings	Recommendations
2.1	The promotional activities of the NCP to date have tended to focus on organisations already familiar with the work of the NCP.	The Belgian NCP should develop a promotional strategy that ensures greater outreach to companies (including small and medium-sized enterprises), trade unions, NGOs and other NCPs. In addition, the NCP should promote the Guidelines to Belgian embassies in countries where Belgian companies are present.
2.2	The multiplicity of standards on RBC is sometimes seen as a barrier to awareness-raising on the OECD Guidelines.	The Belgian NCP could work in partnerships with other organisations to ensure successful promotion of all RBC-related standards (e.g. ISO 26000, UNGP, UNGC, sector specific RBC/CSR standards).
2.3	There were sometimes misunderstandings regarding the role of the NCP and the scope of application of the Guidelines.	The Belgian NCP could improve information available on the NCP website to clarify the role of the NCP and help set expectations. It would be helpful to clarify the scope of the Guidelines.

Handling of specific instances: The Belgian NCP has handled a total of 17 specific instances since 2000. Over this time, the final statements have become more comprehensive and addressed a variety of complex topics. In certain instances, the NCP has made recommendations to business or determinations finding that a company has not observed the Guidelines. However, there are no written procedures available explaining the specific instance process, or guidance for bringing a specific instance to the NCP. In addition, members of the NCP are not trained mediators and there is an absence of human rights expertise. Finally, there are no non-governmental organisations represented amongst the NCP membership.

	Findings	Recommendations
3.1	There are no procedures available on the NCP website explaining how the specific instance procedure functions or how to bring a specific instance to the NCP.	The Belgian NCP should make the specific instance procedures available on its website, including guidance explaining the process for bringing a specific instance.
3.2	The lack of a written initial assessment can produce a lack of clarity in the proceedings	The Belgian NCP should make its initial assessment a written document to improve clarity between parties. The Belgian NCP may also consider making the initial assessment public.
3.3	There is little recourse to external professional mediators and only the	The Belgian NCP should involve more individuals trained in mediation in the

	Chair has received mediation training in the past. The procedures do not ensure the creation of terms of reference setting out the scope of the mediation.	composition of the NCP and/or ensure mediation practices are observed in the dialogue process such as creating an agreed set of terms of reference. In addition, the cooperation with external professional mediators could be evaluated.
3.4	The Belgian NCP is receiving a low number of specific instances per year and this number has been gradually decreasing.	The Belgian NCP could work with local stakeholders to develop NGO awareness of the Guidelines and the NCP process, highlighting developments in the 2011 version of the Guidelines.
3.5	Concerns were raised by some stakeholders regarding delays in producing an initial assessment in four cases.	The Belgian NCP should endeavour to meet the timeliness criteria set out in the Procedural Guidance and communicate with complainants and companies on progress.
3.6	Concerns were raised by some stakeholders regarding how parallel proceedings impacted a particular specific instance.	The Belgian NCP should ensure that parallel proceedings do not represent the sole reason for deciding that issues do not merit further consideration.
3.7	There is a lack of expertise in handling specific instances related to human rights.	The Belgian NCP should focus on building capacity to handle specific instances covering all aspects of the Guidelines, including through cooperating with embassies and international organisations.
3.8	Some stakeholders raised a concern regarding information that had been shared by a company with the NCP but not subsequently with the NGO bringing the specific instance	The Belgian NCP should create written procedures to ensure clarity in such matters going forward which respects the principle of equitability whereby both parties are kept equally informed or if this is not possible, such evidence should not inform the final decision.
3.9	Some stakeholders raised the importance of follow-up by the NCP to encourage implementation of the recommendations.	The Belgian NCP should include a standard practice on monitoring as part of the overall procedures to allow for follow-up within a set period of time.
3.10	The NCP is made up of a large number of members, many from various government departments. It is not possible to distinguish between actual members of the NCP involved in specific instances and those that play an advisory role. Furthermore, there are no NGO representatives on the NCP.	Belgium should consider how to clarify the current composition of the NCP, including making the distinction between NCP members and members of the expert network clearer (functions, competences). In addition, Belgium should consider the inclusion of NGO representatives.

Proactive agenda: The Belgian NCP promotes the projects under the proactive agenda through sectoral seminars or roundtables. In 2014 the NCP held three events with a sector-specific focus covering the garment industry and conflict minerals. The NCP has noted that a lack of resources and budget prevents more work from being done to promote the guidance documents coming out of the proactive agenda projects.

	Findings	Recommendation
4.1	The Belgian NCP noted that a lack of resources and budget prevents more work from being done to promote the guidance documents coming out of the proactive agenda projects.	The Belgian NCP could focus on outreach to one sector per year as part of a promotional strategy.

Policy coherence: The Belgian NCP is part of the internal working party on responsible business conduct which is responsible for the development of a National Action Plan on business and human rights in accordance with the UN Guiding Principles on Business and Human Rights and the EU strategy for corporate social responsibility. Other parts of the Belgian government could be informed of NCP recommendations to ensure policy coherence in practice.

	Findings	Recommendation
5.1	The Belgian NCP is part of the internal working party on responsible business conduct which is responsible for the development of a National Action Plan on business and human rights. It is not clear, how promotion of the guidelines is aligned with the promotion of this action plan.	In order to increase efficiency and impact, the Belgium NCP could align the promotion of the OECD Guidelines with the general promotion according to the Belgium National Action Plan on Business and Human Rights. In addition, this would contribute to improving the political support to the NCP.

Annex 8.

Highlights of projects in specific sectors

Responsible supply chains of minerals from conflict-affected and high-risk areas	
Key outcomes	<p>Continued co-operation with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) and China's Ministry of Commerce (MOFCOM).</p> <p>Continued co-operation with EU institutions supported a draft regulation on responsible supply chains of minerals, requiring due diligence based on the OECD Guidance for Minerals. EU Parliament and European Commission are expected to vote on the regulation in mid-2017.</p> <p>Research and dialogue on gold supply chains and associated risks in Colombia and Latin America (see publications below) to facilitate responsible sourcing of artisanally mined gold from high-risk area.</p> <p>Research and dialogue on the expansion beyond tin, tantalum, tungsten, and gold, to for example cobalt and copper supply chains, amongst others. Starting the development of the OECD Risk Handbook on Natural Resources, which gathers supply chain risk information for approximately 40 minerals, precious stones and energy raw materials.</p> <p>Development of an assessment methodology for the alignment assessment of industry programmes with the OECD Guidance for Minerals. This two-year project aims to assess the alignment, coherence and credibility of industry initiatives created to ensure the responsible sourcing of minerals, both from a standards and an implementation perspective. Public report to be released in 2017.</p>
Key events	<p>10th ICGLR-OECD-UN Forum on Responsible Mineral Supply Chains, Paris, 10-12 May 2016</p> <p>Regional Workshop on Responsible Mineral Supply Chains, co-hosted with the Colombia Ministry of Mines and the National Mining Agency, Bogota, 1-2 December 2016</p>
Publications	<p>OECD Report to Council on the implementation of the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</p> <p>Sourcing Gold from Artisanal and Small-Scale Miners, Frequently Asked Questions on implementing the OECD Due Diligence Guidance for Responsible Mineral Supply Chains</p> <p>Alignment Assessment Tool and Alignment Assessment Methodology (draft)</p> <p>Due diligence in Colombia's gold supply chain, Overview Report</p>

Stakeholder Engagement in the Extractives Sector	
Key outcomes	<p>The OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector was officially launched in March 2016</p> <p>Adoption of the Recommendation of the Council on the Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector in July 2016</p> <p>Translation of the Guidance for Meaningful Stakeholder Engagement in the Extractives Sector into French, Polish and Spanish</p>
Key events	<p>Launch event at Canadian Institute on Mining Metallurgy and Petroleum (CIM) annual conference, Vancouver (Canada), May 2016</p> <p>Second launch event at the 10th Forum on responsible mineral supply chains, Paris, May 2016</p> <p>OECD-SOMO event on Responsible Business in the context of falling commodity prices, Paris, May 2016</p> <p>Regional Training on the OECD Guidance for Meaningful Stakeholder Engagement during workshop on "Promoting Good Practices of Business Responsibility in Mining" organised by the Peruvian investment promotion agency Lima (Peru), 19-20 September 2016.</p> <p>Regional Workshop on Responsible Mineral Supply Chains, co-hosted with the Colombia Ministry of Mines and the National Mining Agency, Bogota (Colombia), 1-2 December 2016</p>

Publications	OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector. The Guidance is currently available in English, French, Polish and Spanish (https://mneguidelines.oecd.org/stakeholder-engagement-extractive-industries.htm)
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Agricultural Supply Chains	
Key outcomes	<p>Official launch of the OECD-FAO Guidance for Responsible Agricultural Supply Chains in March 2016</p> <p>Adoption of the Recommendation of the Council on the OECD-FAO Guidance for responsible Agricultural Supply Chains in July 2016</p> <p>G7 Agricultural Ministers communique of April 2016 welcomed the OECD-FAO Guidance for Responsible Agricultural Supply Chains and encouraged companies to observe the recommendations.</p> <p>Translation of the Guidance into French, German, Spanish and Chinese</p>
Key events	<p>Launch of the OECD-FAO Guidance for Responsible Agricultural Supply Chains, Paris, 11 March 2016</p> <p>Presentation to the European Parliament Committee on International Trade (INTA), Brussels, 15 June 2016</p> <p>Workshop with German NCP and German Federal Ministry of Food and Agriculture, Berlin, 5 July 2016</p>
Publications	<p>The OECD-FAO Guidance for Responsible Agricultural Supply Chains</p> <p>The Guidance is available in English, French, German and should be shortly available in Chinese</p>

Garment and Footwear Supply Chains	
Key outcomes	Approval of the <i>OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector</i> by the OECD Working Party on Responsible Business Conduct
Key events	<p>Public consultation on the draft <i>OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector</i>, March 2016-2017</p> <p>In-person Advisory Group Meeting for the OECD Sector Project, Paris, June 2016</p> <p>Policy Dialogue on due diligence in the garment and footwear sector in Cambodia in collaboration with the European Union and the Ministry of Labour and Vocational Training, Phnom Penh, 6 December 2016</p>
Publications	Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

Financial Sector	
Key outcomes	Finalization and endorsement of Advisory Group of paper on <i>Responsible business conduct for institutional investors</i>
Key events	<p>Expert working session on Responsible Business Conduct and Investment, New York City, 23 February 2016</p> <p>UN PRI Webinar on Responsible Business Conduct and Investment, 24 March 2016</p> <p>Session on <i>Aligning fiduciary duty and responsible business conduct in institutional investments</i>, Global Forum on Responsible Business Conduct, Paris, June 2016</p>
Publications	Responsible business conduct for institutional investors: Key considerations for institutional investors in carrying out due diligence under the OECD Guidelines for Multinational Enterprises

Annex 9

Main events on RBC organised by the OECD secretariat in 2016

Date	Event
23 February	Expert working session on Responsible Business Conduct and Investment, New York City
24 March	UN PRI Webinar on Responsible Business Conduct and Investment
11 March	Launch ¹ of the OECD-FAO Guidance for Responsible Agricultural Supply Chains
6 April	Consultation workshop on the Investment Policy Review of Lao PDR, Vientiane
13 April	Consultation workshop on the Investment Policy Review of Viet Nam, Hanoi
2 May	Launch of the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector, Canadian Institute on Mining Metallurgy and Petroleum (CIM) annual conference, Vancouver
10 May	OECD-SOMO event on Responsible Business in the context of falling commodity prices
10-12 May	10th ICGLR-OECD-UN GoE Forum ² on Responsible Mineral Supply Chains, Paris
27 May	Promoting Responsible Business Conduct in Georgia, Tbilisi
7 June	High-level Roundtable for Policy-Makers on Responsible Business Conduct
8-9 June	Global Forum ³ on Responsible Business Conduct
29 June	Workshop ⁴ on Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises, Astana
17 September	Roundtable ⁵ on the OECD Guidelines for Multinational Enterprises and the Law, Washington
19-20 September	Regional Training on the OECD Guidance for Meaningful Stakeholder Engagement during workshop on "Promoting Good Practices of Business Responsibility in Mining," organised by the Peruvian investment promotion agency, Lima
26 October	Consultation workshop ⁶ on the Investment Policy Review of Cambodia, Phnom Penh
1-2 December	Regional workshop ⁷ on Responsible Mineral Supply Chains In Latin America, Bogota
6 December	Policy Dialogue on due diligence in the garment and footwear sector in Cambodia, Phnom Penh
19 December	Roundtable ⁸ on 40 years of the OECD Guidelines for Multinational Enterprises, Paris

¹ <http://mneguidelines.oecd.org/launch-of-the-guidance-for-responsible-agricultural-supply-chains.htm>

² <http://mneguidelines.oecd.org/icglr-oecd-un-forum-paris-2016.htm>

³ <https://mneguidelines.oecd.org/global-forum/>

⁴ <https://mneguidelines.oecd.org/workshop-on-rbc-in-kazakhstan.htm>

⁵ <http://mneguidelines.oecd.org/oecd-guidelines-for-mnes-and-the-law.htm>

⁶ <http://mneguidelines.oecd.org/IPR-Cambodia-Workshop-Agenda-2016.pdf>

⁷ <http://mneguidelines.oecd.org/latin-american-workshop-on-responsible-mineral-supply-chains.htm>

⁸ <http://mneguidelines.oecd.org/roundtable-40-years-of-the-guidelines.htm>

Annex 10

Statements by institutional stakeholders

Business and Advisory Committee (BIAC)

Business, as represented by Business at OECD (BIAC), has long recognized the importance of responsible business conduct in a globalized world. BIAC considers responsible business conduct, as promoted by the MNE Guidelines, to be an essential part of an open investment climate and in the best interest of business.

To that end, BIAC is committed to work in partnership with the OECD, national governments and multinational enterprises, in order to support effective implementation of the MNE Guidelines promoting them in adhering countries and beyond. To raise awareness of the MNE Guidelines among companies, BIAC and its member associations organized and participated in multiple events in the course of 2016.

BIAC provided the business perspective on the OECD's work on responsible business conduct and due diligence at a meeting organized by its German member BDA in February and spoke at a meeting on the MNE Guidelines in Vienna in October. BIAC also presented the business perspective on the MNE Guidelines at a major conference in Budapest in October and spoke at a Roundtable on the Forty Years of the OECD MNE Guidelines, which took place at the OECD in December 2016. The 2016 annual BIAC General Assembly included a special session to celebrate the 40th anniversary of the OECD Declaration on International Investment and Multinational Enterprises, of which the Guidelines are a key part.

BIAC also highlighted the importance of the MNE Guidelines in other international discussions, including in the context of the B20, where BIAC is engaged as a member and network partner. BIAC underlined the importance of effective implementation and outreach regarding key OECD instruments, including the MNE Guidelines.

BIAC maintained a strong presence at the annual OECD Global Forum on Responsible Business Conduct in June 2016. BIAC also remained an active partner in the projects on the proactive agenda of the MNE Guidelines, so as to ensure that the concrete experience of different sectors, including most recently finance and textiles, is duly reflected. BIAC members were active in the various advisory groups and related conferences, as well as the May 2016 Forum on Responsible Mineral Supply Chains. BIAC has been and will continue to be actively involved in the discussions on the general due diligence guidance to ensure that the final outcome will be of practical use to business, recognizing both business opportunities and challenges in this context.

BIAC continued to call for active outreach efforts to non-adhering countries and highlighted the role of the MNE Guidelines, not only to BIAC members but also observer organizations. For further information, please check the BIAC brochure on the MNE Guidelines, available on the BIAC website, which was issued to ensure that companies are aware of this key instrument and its concrete implications for business.

OECD Watch

As a network of over 100 civil society organizations from around the world, OECD Watch continues to monitor the effectiveness of National Contact Points (NCPs) in promoting corporate adherence to the OECD Guidelines for Multinational Enterprises (the Guidelines) and access to remedy for victims of corporate misconduct.

In order to mark the 40th Anniversary of the Guidelines, OECD Watch published a briefing for policymakers in June entitled “A “4x10” Plan for Why and How to Unlock the Potential of the OECD Guidelines.”¹ The briefing reflects on the continued importance of the Guidelines, while recognizing the constraints that need to be addressed by adhering governments in order to improve the reach and effectiveness of the instrument. Ten action points were recommended to keep the Guidelines remaining as an authoritative tool for responsible business conduct.

TUAC and OECD Watch also launched a 40-day count up campaign via Twitter to help increase awareness over the Guidelines amongst policy-makers and the general public. The #StepItUp campaign recognized the 40th Anniversary of Guidelines by launching a tweet a day with messages for governments to step up measures to ensure that the Guidelines fulfill their potential to defend communities’ and workers’ rights.²

In order to remind the G7 Leaders and OECD Ministers of their June 2015 Leaders Declaration promise to take steps to strengthen NCP performance and lead by example as part of commitments made to support responsible business conduct, including in global supply chains, OECD Watch sent a letter³ in August to G7 Leaders requesting that they back their expressed commitments with immediate actions. The letter recommended that the G7 Leaders seek revision of the OECD Guidelines’ Procedural Guidance for NCPs in order to improve the performance and effectiveness of the NCP system, while also ensuring sufficient resources be allocated to their NCPs and that material consequences be encouraged for companies found to be non-compliant with the Guidelines.

To help measure NCP performance and create pressure for positive change, TUAC and OECD Watch initiated two consultation processes with NCPs in 2016 over its draft NCP Performance Index⁴, which covers a range of process and outcome indicators. The input that was provided by NCPs and OECD adhering governments will be incorporated into the final index that will be launched in 2017.

OECD Watch continues to support communities and civil society groups to use the Guidelines by filing Specific Instance complaints with NCPs. In 2016, we provided support to civil society groups in their complaints against Atradius Dutch State Business, Heineken N.V., Nycomb Synergetics Development AB, Suzuki Motor Corporation, amongst others.

¹ OECD Watch (2016) A “4x10” plan for why and how to unlock the potential of the OECD Guidelines www.oecdwatch.org/news-en/a-201c4x10201d-plan-for-why-and-how-to-unlock-the-potential-of-the-oecd-guidelines

² OECD Watch (2016) www.oecdwatch.org/40th-anniversary-of-the-oecd-guidelines

³ OECD Watch (2016) OECD Watch Response to G7 Leaders’ (In)Action www.oecdwatch.org/news-en/oecd-watch-response-to-g7-leaders2019-in-action

⁴ OECD Watch and TUAC (2016) How would You Measure NCP Performance? www.oecdwatch.org/news-en/how-would-you-measure-ncp-performance

In 2016, OECD Watch participated in the Italian⁵ and Swiss⁶ NCPs Peer Reviews providing concrete recommendations in order to increase stakeholder confidence and generate more positive outcomes for individuals, civil society groups and trade unions who use the NCP system. While OECD Watch applauds the NCPs who have already undergone, or have committed to undergo, the peer review process, we continue to believe that peer reviews should be made mandatory and carried out regularly in order for the NCP system to have the information necessary to meet functional equivalence and remain relevant in the changing landscape of corporate accountability.

OECD Watch members have continued to remain active in the OECD's Proactive Agenda by providing input into the draft reports on General Due Diligence for Responsible Business Conduct and the Guidance on Responsible Business Conduct for Institutional investors. It is our hope that these guidance documents will continue to be promoted by the OECD and play an important role in helping companies understand and navigate through their due diligence requirements, while also upholding the highest responsible business conduct and human rights standards.

Trade Union Advisory Committee (TUAC)

In 2016, the Trade Union Advisory Committee to the OECD (TUAC), working with its affiliates and trade union partners, continued to work towards achieving the effective implementation of the OECD Guidelines through well-resourced and accountable National Contact Points (NCPs). Trade unions have also supported the OECD in its efforts to establish a common understanding of due diligence through the development of authoritative guidance.

In a landmark year, TUAC and OECD Watch marked the 40th anniversary of the Guidelines by conducting a 40-day Twitter 'Count-up' in which they called on governments and the OECD to "Step it Up", so that the Guidelines fulfil their potential to defend the rights of communities and workers. TUAC also participated in a number of 40th Anniversary promotional events, organised by the Austrian, Hungarian and Mexican NCPs, as well as the OECD.

As part of their activities to strengthen NCPs, TUAC and OECD published the first Draft of their NCP Performance Index. The Index ranks NCP performance in five categories: institutional arrangements, promotional activities, NCP procedures, peer learning; and case outcomes. TUAC and OECD held consultations with their members/affiliates/partners, as well as with governments, in order to develop a final methodology that is fair and robust, whilst delivering an Index that serves as a driver for change. The Index will be published in 2017.

On due diligence, TUAC served on two OECD sectoral Advisory Groups – Garments and Footwear, and the Financial Sector – alongside its trade union partners the International Trade Union Confederation (ITUC), IndustriALL and UNI Global Union. It also provided input to the ongoing development of the OECD General Due Diligence Guidance. In May 2016, TUAC represented trade unions at the launch of the OECD Due

⁵ OECD Watch (2016) OECD Watch submission to the 2016 peer review of the Italian NCP www.oecdwatch.org/publications-en/Publication_4352/

⁶ OECD Watch (2016) OECD Watch submission to the 2016 peer review of the Swiss NCP www.oecdwatch.org/publications-en/Publication_4353

Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector. In the same month, it co-organised with the ITUC a workshop on Due Diligence, for trade unionists ahead of the 2016 International Labour Conference on Global Supply Chains.

TUAC applauds those NCPs that signed up for country peer review in 2016 and welcomes the role played by the OECD NCP Coordination Unit. TUAC, together with its Italian and Swiss affiliates, attended the peer reviews of Italy and Switzerland, which were held in September and November respectively.

TUAC was also involved in a number of promotional and capacity-building activities. In June 2016, trade unions were well represented at the OECD Global Forum on Responsible Business Conduct, speaking in sessions on trafficking and modern slavery, due diligence in the textiles and financial sectors, and the NCPs. Throughout the year, TUAC provided training in a number of trade union events: Buenos Aires, regional meeting of Building and Woodworkers International (BWI); Istanbul, metal sector workers (FNV and BIRLESKIK METAL-IS); Florence, joint meeting of the three Italian trade union confederations, the Confédération Générale Italienne du Travail (CGIL), Confédération Italienne des Syndicats des Travailleurs (CISL), and Union Italienne du Travail (UIL), which was also attended by the Italian NCP; Rotterdam, meeting of the Shell Global Union Network (FNV and IndustriALL); and Nepal, two regional meetings held in October and November for trade unionists from South Asia (TUAC, ACTRAV and FES).

TUAC published its Trade Union Guide to the OECD Guidelines in Hindi and Bengali. The Guide is now available in fourteen languages. TUAC also continued its work in supporting trade unionists submitting specific instances under the OECD Guidelines.

mneguidelines.oecd.org

