



## Responsible Business Conduct and the corporate responsibility to respect human rights

The French writer Antoine de Saint-Exupéry once said that "to be human is to be responsible; [...] to be aware, when setting one stone, that you are building a world." Since the adoption of the OECD Guidelines for Multinational Enterprises in 1976, OECD has been paving the way for responsible business practises within global supply chains and promoting the need for international trade and investment to contribute to sustainable development. In June 2018, ministers from OECD and developing economies committed to step up their efforts to promote responsible business conduct (RBC) by companies in order to drive more inclusive and sustainable economic growth.

In establishing safeguards and accountability mechanisms to ensure that corporate actors are socially responsible and respect human rights, the OECD continues to be at the forefront of international co-operation to promote social and environmental objectives and, supporting both governments and business in this endeavour.

The <u>OECD Guidelines for Multinational Enterprises</u> (the Guidelines) are the first international instrument to integrate respect for human rights as a corporate responsibility, thereby aligning with the UN's Guiding Principles on Business and Human Rights. The Guidelines are also the first international corporate responsibility instrument to recommend incorporating risk-based due diligence into all areas where business operations intersect with society.

The <u>OECD Due Diligence Guidance for Responsible Business Conduct</u> provides practical support to enterprises on the implementation of the Guidelines by providing plain language explanations of its due diligence recommendations and associated provisions. Implementing these recommendations can help enterprises avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with their operations, supply chains and other business relationships.

<u>National Contact Points</u> (NCPs) for Responsible Business Conduct (RBC) are a unique tool to promote respect for human rights in global supply chains. NCPs are tasked with furthering the effectiveness of the Guidelines through promotional activities and by acting as mediation and conciliation platforms to help resolve 'specific instances' of alleged non-observance of the Guidelines.

Since any interested person can file a case before an NCP and since NCPs may handle cases involving corporations operating 'in or from' their territory, the network of NCPs is an avenue available for victims of corporate human rights abuse. NCP cases can lead to remedy for victims and bring about important changes to corporate policy, thereby preventing future human rights abuses.

Since 2000, NCPs have received more than 425 cases, addressing impacts from business operations in over 100 countries and territories. The majority of these submissions focus on employment and labour issues (55%), followed by human rights (24%) and environment issues (21%). Since 2011, when a human rights chapter was added to the Guidelines, cases dealing with human rights issues have represented 54% of all cases filed.





National Action Plans (NAPs) for Business and Human Rights can provide an important overarching policy framework for RBC and strengthen co-ordination and coherence within the government among all relevant policies relating to RBC (including investment, procurement and export credits among others).

One of the key functions of NAPs is to provide for reinforced coordination and coherence within governments on the spectrum of laws, policies and practices related to business and human rights. They can also serve as powerful forward-looking instruments that can inspire new regulations and policies.

As of December 2018, 21 countries have adopted NAPs – 21 of which are Adherents to the OECD Guidelines for Multinational Enterprises. While there is no "one-size-fits-all" approach to developing NAPs, their success hinges on identifying gaps in the existing regulatory framework and in Government and corporate responses to RBC challenges, and developing concrete commitments and actions to address adverse impacts.