The 2022 Annual Report on the activity of National Contact Points for Responsible Business Conduct

<u>National Contact Points for Responsible Business Conduct</u> (NCPs for RBC) are agencies established by governments to further the implementation of the <u>OECD Guidelines for Multinational Enterprises on</u> <u>Responsible Business Conduct</u>. To date, there are NCPs in 51 countries.

The responsibilities of NCPs are to promote the Guidelines and act as <u>non-judicial grievance mechanisms</u>. They can also support their government's policy efforts to promote RBC.

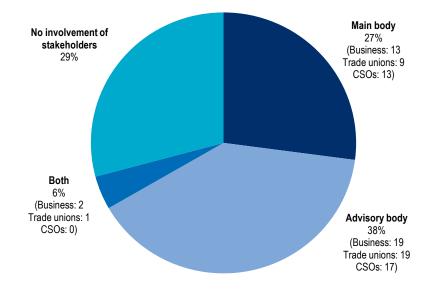
Each year, the Annual Report on the activity of NCPs compiles and analyses key data reported that year. This flyer provides highlights from the 2022 report.

NCP Structures

Governments have flexibility on how to organise their NCPs, so long as they have sufficient resources, maintain relations with stakeholders and operate in accordance with core effectiveness criteria.

Stakeholder involvement in NCPs' institutional arrangements

In 2022, 69% of NCPs included stakeholders in their structures, up from 62% in 2021, and an acceleration of this good practice which reinforces stakeholder confidence in the mechanism.

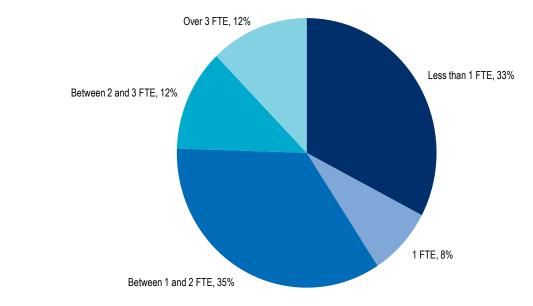


Resources

However, NCPs continued to struggle with limited and unstable human resources, with **70%** experiencing some form of staff turnover, highlighting a need for governments to invest more resources in NCPs. This point is highlighted in <u>the 2022</u> <u>Recommendation on the Role of Government in Promoting</u> <u>Responsible Business Conduct</u>. The Recommendation requires governments to periodically assess "the adequacy of their NCPs' institutional arrangements and the human and financial resources made available to them, with a view to enabling them to play an important role in furthering the effectiveness of RBC standards and in promoting policy coherence for RBC." (II.3.)



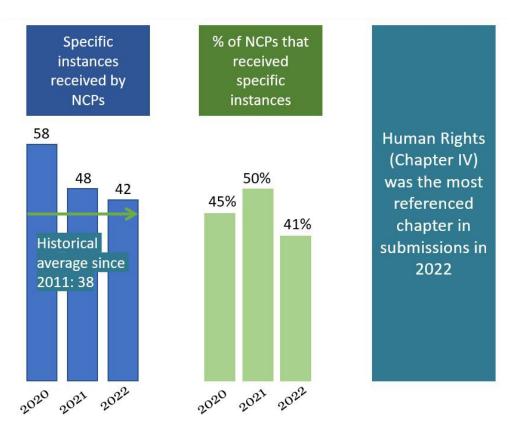




Full-time equivalent (FTE) staff resources available to the NCP Network in 2022

Non-judicial grievance mechanism ("Specific Instances")

In 2022, the NCP Network received **41 grievances** (called 'specific instances'), a decline compared to recent years but slightly above the historical average. 39% of NCPs received specific instances in 2022, fewer than in 2021 or 2020. Human Rights (Chapter IV) was the most referenced chapter in specific instances.







Outcomes

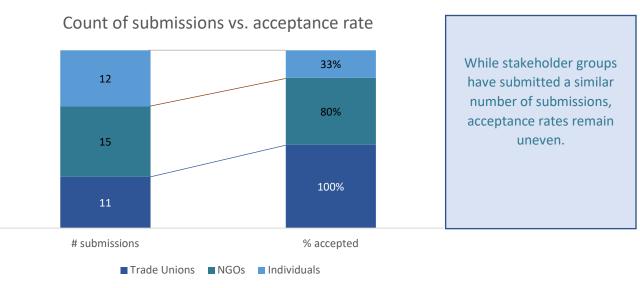
Outcomes of cases need to be transparent and NCPs must publish final statements upon closing cases. Upon accepting cases, NCPs will seek to facilitate agreement between parties through non-adversarial means such as mediation. NCPs can also issue recommendations to companies and follow up on recommendations and agreements.

The year 2022 saw a noteworthy rise in recommendations within final statements, jumping to 84% from 64% in 2021. Furthermore, 22 follow-ups were carried out. This progress indicates a positive shift towards enhanced accessibility and effectiveness of NCPs, although outcomes were not equal across stakeholder groups.

36% of concluded cases that involved mediation led to agreements between parties, a slight increase from 33% in 2021

Acceptance rates across stakeholder groups

Following submissions, NCPs perform an 'initial assessment' to evaluate whether cases warrant further examination. In 2022, **66%** of cases closed that year had been accepted following initial assessment, compared to 63% in 2021. NGOs and individuals remained the primary submitters in closed cases, accounting for 37% and 29%, respectively. Trade unions were close behind with 27% of submissions. This continued a trend of increasing individual submissions, possibly pointing to increased accessibility of the NCP mechanism.



Promotion

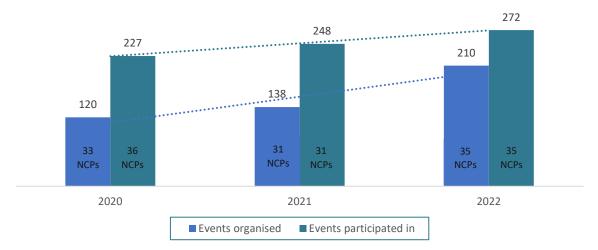
Promoting the Guidelines, related due diligence guidance, and the NCP non-judicial grievance mechanism is an important part of the NCP responsibilities. All 49 NCPs reporting in 2022 had a dedicated website or webpage to provide information about the Guidelines and the NCP.

NCPs made strides in promotional activities in 2022, with a total of 210 promotional events organized or co-organized by 35 NCPs, marking a 50% increase compared to 2021. This resurgence in promotional efforts indicated NCPs' ability to adapt and grow stronger, even after facing challenges during the pandemic. Promotional events addressed a broad range of issues including recent developments in RBC, SMEs and RBC, ant-corruption, labour rights, Indigenous Peoples Rights, and more generally on the Guidelines, due diligence guidance and the NCP mechanism. 63% of events organized and co-organised by NCPs were targeted to a multi-stakeholder audience, and government representatives were the most often (48%) targeted group for promotion in 2022.





NCP promotional events 2020-2022



Key takeaways

NCPs increased stakeholder engagement in their institutional arrangements, but faced resource constraints.
Specific instances showed stable agreement and increasing acceptance rates, but a decrease in submissions received.
Promotional activities of NCPs improved, but some NCPs remained inactive or targeted promotion unevenly.

Overall, the 2022 Annual Report on NCP Activity reflected the continued dedication of NCPs in promoting RBC and handling specific instances as part of their non-judicial grievance mechanism role. Despite challenges, NCPs demonstrated resilience and progress in various areas of their operation, making important strides towards enhancing responsible business practices worldwide. Continued capacity building and strengthening of NCPs remains essential to address to the changing landscape of RBC priorities.

To learn more, see the full report here: (https://mneguidelines.oecd.org/ncps/annual-report-of-NCPs-for-RBC-2022.pdf).

