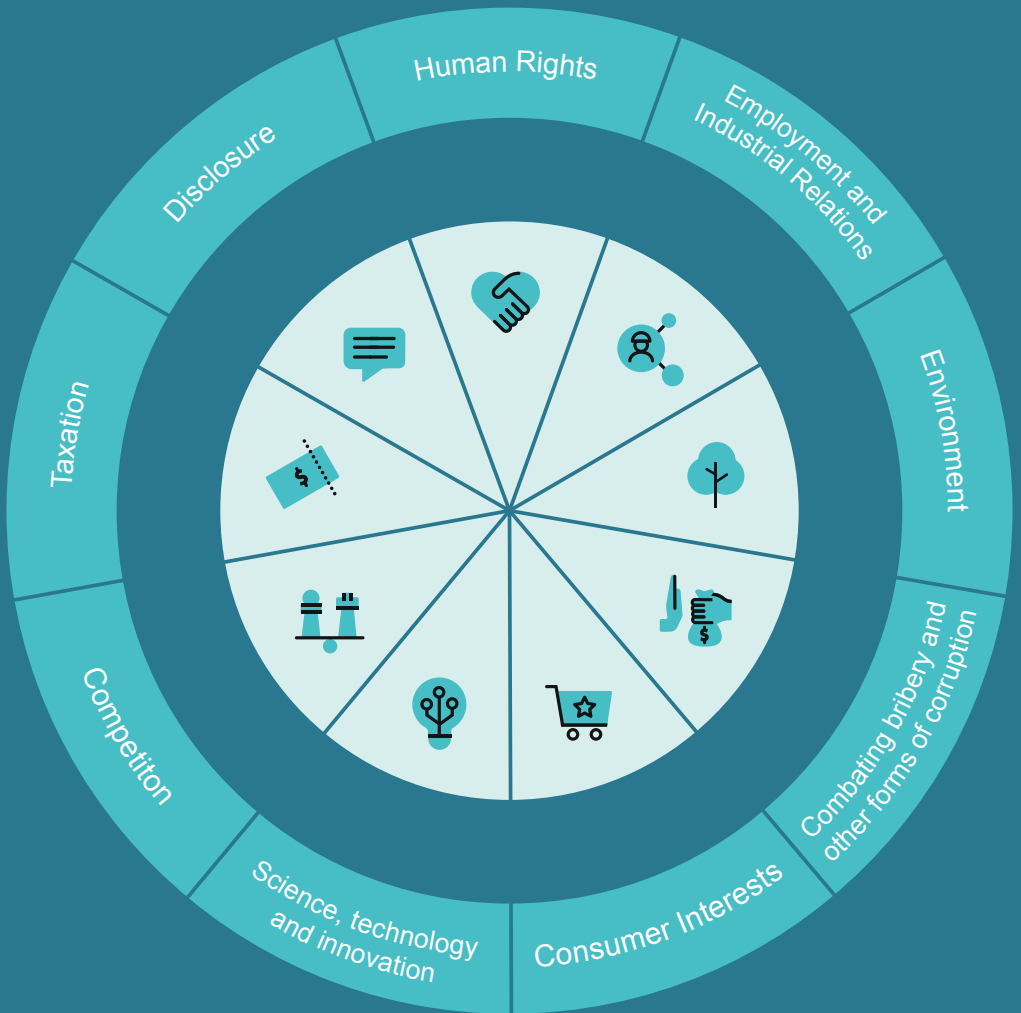


# OECD Guidelines for Multinational Enterprises on Responsible Business Conduct



The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct are recommendations by governments for businesses to align their activities with sustainable development and conduct due diligence to avoid adverse impacts on people, planet and society.

### Which topics do the Guidelines cover?

The Guidelines cover the full range of sustainability impacts that enterprises may have on people, planet and society: human rights; employment and industrial relations; environment; bribery and other forms for corruption; consumer interests; science, technology and innovation; competition; and taxation.

### What is Responsible Business Conduct Due Diligence?

Enterprises should avoid causing or contributing to adverse impacts on the matters covered by the Guidelines. They should also seek ways to prevent or mitigate impacts by their business relationships. Due diligence is the process by which enterprises should identify, prioritise, prevent, mitigate and account for how they address such impacts. Due diligence should include meaningful stakeholder engagement.

### What are business relationships?

Business relationships include relationships with entities that are directly linked to an enterprise's operations, products or services including by supplying products or services used by the enterprise or receiving products or services from the enterprise.

### How do the Guidelines relate to laws and regulation?

The Guidelines are voluntary standards for responsible business conduct. Matters covered by the Guidelines may be the subject of domestic law and international commitments or may go beyond what enterprises are legally required to do.

The OECD recommends that governments put in place a legal and regulatory framework to enable Responsible Business Conduct in the areas covered by the Guidelines. When engaging in public advocacy, enterprises should ensure that their lobbying activities are transparent and consistent with their commitments and goals on matters covered by the Guidelines.

## Themes covered in the OECD Guidelines



### Disclosure

Enterprises are facing increasing demands for disclosure of sustainability information. They should disclose information on all material matters that can reasonably be expected to influence an investor's assessment of the enterprise's value. It is also important that they communicate credible information on their due diligence processes and the impacts of their operations, products and services on people, planet and society.



### Human Rights

Enterprises should avoid causing or contributing to adverse human rights impacts and address such impacts when they occur. They should also seek ways to prevent or mitigate adverse human rights impacts that they are directly linked to by a business relationship. The Human Rights Chapter of the OECD Guidelines for Multinational Enterprises is fully aligned with the UN Guiding Principles on Business and Human Rights.



### Employment and Industrial Relations

Enterprises should avoid any unlawful employment and industrial relations practices and respect the right of workers to establish or join trade unions and organisations of their own choosing, including for the purpose of collective bargaining and negotiations. They should contribute to the effective abolition of child labour and to the elimination of all forms of forced or compulsory labour; be

guided by the principle of equality of opportunity and treatment; and provide a safe and healthy working environment. The Employment and Industrial Relations Chapter of the Guidelines is fully aligned with the ILO Declaration on Fundamental Principles and Rights at Work.



### **Environment**

Enterprises should conduct due diligence to address adverse environmental impacts of their operations, products and services. This includes impacts such as climate change; biodiversity loss; degradation of land, marine and freshwater ecosystems; deforestation; air, water and soil pollution; mismanagement of waste, including hazardous substances. Enterprises should ensure that their greenhouse gas emissions and impact on carbon sinks are consistent with internationally agreed global temperature goals. They should assess and address social impacts in the context of their climate action and environmental management.



### **Combating Bribery and Other Forms of Corruption**

Adverse impacts on matters covered by the Guidelines are often enabled by means of corruption. Enterprises should have measures in place to prevent, detect and address bribery and other forms of corruption, including through their business relationships.



### **Consumer interests**

Enterprises should apply fair marketing practices and ensure the quality and reliability of their products. They should provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions. Any product and

environmental or social claims that enterprises make should be based on adequate evidence.



### **Science, Technology and Innovation**

Technology has a profound impact on the matters covered by the Guidelines, including sustainable development, human rights, economic participation, the quality of democracy, social cohesion, climate change, the global business and labour landscape and market dynamics. Enterprises should conduct due diligence to prevent and address adverse impacts related to development, licensing, sale, trade and use of science, technology and innovation.



### **Competition**

Companies should carry out their activities in a manner consistent with all applicable competition laws and regulations, considering the competition laws of all jurisdictions in which the activities may have anti-competitive effects. Enterprises need to refrain from anti-competitive agreements, which undermine the efficient operation of both domestic and international markets.



### **Taxation**

It is important that enterprises contribute to the public finances of host countries by making timely payment of their tax liabilities. Tax transparency supports the integrity of a country's tax system and is an important way of ensuring and demonstrating that enterprises comply with the letter and spirit of tax laws. Corporate boards should adopt tax risk management strategies to ensure that the financial, regulatory and reputational risks associated with taxation are fully identified and evaluated.

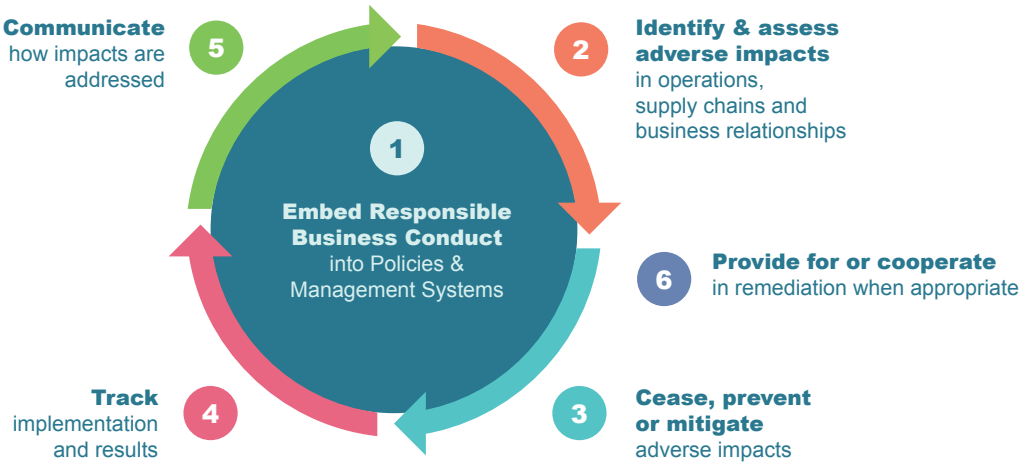


### **National Contact Points for Responsible Business Conduct**

Countries that adhere to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct must set up a fully functioning National Contact Point for Responsible Business Conduct (NCP). The tasks of the NCP are to promote awareness and uptake of the Guidelines; serve as a non-judicial grievance mechanism for cases involving enterprises operating in or from their country; and where applicable provide support to the development, implementation, and coherence of government policies to promote responsible business conduct.

# OECD Due Dillgence Guidance for Responsible Business Conduct

and OECD sector due diligence guidance help enterprises implement the recommendations of the Guidelines



## Guidance and tools for practitioners



Due Diligence Guidance for Responsible Business Conduct



Agricultural supply chains



Financial Sector



Garment and Footwear supply chains



Minerals supply chains




OECD e-learning Academy on Responsible Business Conduct

The OECD Centre for Responsible Business Conduct provides analysis, capacity building, standard setting and policy cooperation that enables industry, government and stakeholders to align business conduct with sustainable development.

## Find more information

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct [mneguidelines.oecd.org](https://mneguidelines.oecd.org)

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