

BIAC Statement

on the Adoption of the Update of the OECD Guidelines for Multi-National Enterprises at the OECD Ministerial Council Meeting on 25-26 May 2011

BIAC has always considered the OECD Guidelines for Multi-National Enterprises an important guidance instrument on Corporate Social Responsibility (CSR) for companies doing international business. The Guidelines are an internationally recognised reference document on CSR.

BIAC has been closely involved in the 2010–11 update process of the Guidelines. During this process significant changes were made to the Guidelines, particularly in the fields of human rights, due diligence, supply chains and procedural guidance. Thus the process came close to a substantive revision. Although the new text increases the expectations put on business in a number of aspects, the central concerns of business have been addressed in a constructive way. BIAC is therefore in a position to state that it can accept the final text as negotiated by OECD member states.

The success of the updated Guidelines will, to a large extent, depend on their ability to contribute to a global level playing field for business. This issue has become more important today than in 2000, the time of the last revision of the Guidelines. The markets of the global economy are highly integrated and many competing companies are not based in countries that adhere to the Guidelines.

BIAC therefore urges the OECD to undertake determined efforts to promote convergence between the Guidelines and the business conduct of enterprises of non-adhering countries. To that effect, enhanced outreach efforts by the OECD, recognition of the individual efforts of non-adhering countries and dialogue on convergence constitute the most promising road forward.

BIAC considers it crucial that the Guidelines remain part of the OECD Declaration on International Investment and Multinational Enterprises. This highlights that the Guidelines are part of a mutual commitment. On the one hand, adhering Governments commit

themselves in the Declaration to promote an open and predictable investment climate by implementing measures such as ensuring national treatment of MNEs and avoiding conflicting requirements on MNEs. On the other hand, companies are recommended to commit themselves to applying the standards of corporate social responsibility elaborated in the Guidelines.

BIAC supports an effective implementation of the updated Guidelines. To that end, it is committed to constructively assist affiliated companies to follow the recommendations of the updated Guidelines, alongside efforts undertaken by the OECD, member states and National Contact Points to promote the Guidelines. BIAC is also committed to developing a positive pro-active agenda with a view to assisting companies in understanding and following the Guidelines.