
OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

U.S. NATIONAL CONTACT POINT INFORMATION BOOKLET

**Bureau of Economic and Business Affairs
May 2002**

BY WAY OF A FORWARD

U.S. Government view on the Guidelines

Excerpts from Statement by the Under Secretary for Economic, Business, and Agricultural Affairs Alan P. Larson, at OECD Ministerial Conference: 27 June 2000:

"Globalization and foreign direct investment are powerful forces for good and can raise living standards by spreading the benefits of increased economic opportunity throughout the world. Promoting broad standards of appropriate corporate behavior will enhance the investment climate. For societies to benefit fully from this improved investment climate, we need to raise standards in important areas of social concern. OECD and U.S. companies are world leaders in good corporate citizenship and take their commitment to high standards with them around the world in their everyday operations. The adoption of these Guidelines will help ensure that others match our standards and will promote a form of globalization that not only generates wealth, but also raises standards on social, labor, environmental, and human rights issues.

We are committed to the effective use of the Guidelines. The United States will not shrink from our responsibility to continue to encourage the observance of high standards of conduct where it is lacking. Nor will we allow these Guidelines to become a vehicle for unfairly tarnishing the reputation of good corporate citizens.

If all OECD Members, as well as other countries which we encourage to adhere to the Declaration, share our commitment, I am confident the OECD Guidelines will become a global benchmark for corporate responsibility and continue to reinforce high standards of corporate behavior. Our adoption today of the revised Guidelines demonstrates how globalization can work for the betterment of societies around the world. It represents an important step in the governance of the global economy."

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OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES [†]

What are they?

The Guidelines are voluntary standards and principles for Multinational Enterprises (MNEs) and apply to activities of MNEs wherever they operate in OECD and non-OECD countries. The Guidelines are intended to reinforce the high standards applied by good corporate citizens and complement them with uniform standards relevant to the firms of all countries adhering to the Guidelines.

The Guidelines, first established in 1976, are reviewed periodically. The latest review was begun in 1998 and the revised texts were adopted at the OECD Ministerial on 27 June 2000.

- The Guidelines are the only comprehensive, multilaterally-endorsed code of conduct for MNEs;
- They establish principles covering a broad range of issues in business ethics including employment and industrial relations, environment, information disclosure, competition, financing, corruption, taxation, and science and technology;
- They are supported by OECD governments, who are committed to work with business, labor, and other elements of civil society to promote their observance;
- They have been shaped by the active participation of the business community, labor federations, and other Non-Governmental Organizations;

The Guidelines as part of a larger package

The Guidelines constitute one of the four instruments in the OECD Declaration on International Investment and Multinational Enterprises. The OECD member governments promote the Declaration as a whole to non-members. The other instruments are:

- National Treatment, aimed at ensuring treatment of foreign companies no less favorable than that accorded in like situations to domestic enterprises

[†] The text of the Guidelines is available at <http://www.oecd.org/daf/investment/guidelines/index.htm>.

- International Investment Incentives and Disincentives; adhering governments will endeavor to make such measures as transparent as possible, and
- Conflicting Requirements, in which governments agree to avoid or minimize the imposition of conflicting requirements on multinational enterprises

Outline of the Guidelines

Compliance by MNEs with national law in the country in which they operate is a fundamental principle. The Guidelines are not intended to override local law nor to expose MNEs to conflicting expectations based on the Guidelines and local law.

The Guidelines are voluntary and are intended to be a positive stimulus promoting good corporate conduct. The main objective is to raise the awareness of MNEs regarding OECD governments' and other adhering countries' expectations in order to assist them in shaping their own internal standards.

The Guidelines apply to activities of MNEs wherever they operate in OECD and non-OECD countries, but there may well be difficulties in dealing with issues arising in countries that have not yet adhered to the Guidelines, particularly as these countries will not have National Contact Points.

GENERAL POLICIES

The General Policies section sets out general principles for good corporate behavior including respect for national law, self-regulation, contributing to sustainable development, local capacity and human capital building, and respect for human rights. The section asks MNEs, where practicable, to encourage behavior compatible with the Guidelines by business partners.

DISCLOSURE

The Disclosure section provisions encourage public dissemination by MNEs of reliable and relevant information to various stakeholders. They suggest that the information cover such areas as financial and operating results, company objectives, board members and their remuneration, foreseeable risk factors, and governance structure.

EMPLOYMENT AND INDUSTRIAL RELATIONS

The Employment and Industrial Relations section encourages respect for and promotion of the four internationally recognized core labor standards (freedom

of association and the effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labor; effective abolition of child labor; elimination of discrimination in respect of employment and occupation). It also promotes consultations between labor and management, and adequate steps to ensure occupational health and safety.

ENVIRONMENT

The Environment section provisions encourage MNEs to promote sustainable development through the adoption of environmental management systems, the use of environmental impact analysis, and precaution in their activities. The section encourages ongoing improvement in corporate environmental performance, environmental health and safety training, and maintenance of contingency plans for preventing and mitigating environmental damage.

COMBATING BRIBERY

In accordance with the OECD Convention and Recommendations on Bribery and Corruption, the Combating Bribery section encourages MNEs in their dealings with public officials and business partners to neither offer nor accept bribes, or use arrangements such as purchase orders or consulting agreements to that end. The text of the Convention is available at <http://www.oecd.org/daf/nocorruption/instruments.htm>.

CONSUMER INTERESTS

The Consumer Interests section encourages MNEs to respect consumer interests including those on quality and safety of products. This includes quality control, accurate labeling, avoiding misleading practices, and respecting consumer privacy.

SCIENCE AND TECHNOLOGY

The Science and Technology provisions encourage MNEs to play a role in improving local knowledge and skills, including contributing to the diffusion and transfer of technology as needed, with due regard to the protection of intellectual property rights.

COMPETITION

The Competition section encourages cooperation with competition authorities and respect for basic competition principles, and discourages practices such as price fixing, rigged bidding, output quotas, or division of markets.

TAXATION

The Taxation section encourages MNEs to comply with local tax laws in such areas as providing relevant information to the authorities and making timely payment of tax liabilities.

ROLE OF THE NATIONAL CONTACT POINT (NCP)

Countries adhering to the Guidelines agree to establish National Contact Points (NCPs) to promote the Guidelines, handle inquiries, and discuss with concerned parties matters covered by the Guidelines. The Guidelines also provide for NCPs to cooperate with each other where appropriate, to meet annually to share experiences, and to report on their activities.

They also provide guidance to NCPs for assisting in the resolution of issues that may arise with respect to activities of an MNE from a country adhering to the Guidelines in relation to the recommendations contained in the Guidelines.

ROLE OF THE OECD COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES (CIME)

The OECD Committee on International Investment and Multinational Enterprises has overall responsibility for the Guidelines. It is comprised of all OECD members and allows for the participation of other adhering countries on issues related to the Guidelines. When necessary, it clarifies interpretation of the Guidelines. It also considers NCP reports and provides a forum for the exchange of views and experiences of NCPs. It has the authority to make recommendations for improving the Guidelines and the functioning of NCPs.

CONTACT DETAILS

General inquiries, comments and views about the Guidelines are welcome from any party. Anyone wishing to raise a specific issue concerning the activity of a particular MNE in relation to the Guidelines should contact the NCP.

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Guidelines for Multinational Enterprises:
www.oecd.org/daf/investment/guidelines/index.htm

BIAC

Business and Industry Advisory Committee
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APPENDIX

List of countries adhering to the OECD Guidelines for Multinational Enterprises

- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Italy
- Japan
- Korea
- Lithuania
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States