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OECD Guidelines for Multinational Enterprises - In Brief



Ministry of Economic Affairs
and Employment of Finland

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Contents

What are the OECD Guidelines for Multinational Enterprises? 5

Summary of the Guidelines 7

National Contact Points monitor observance of the Guidelines 11

Links 14



What are the OECD Guidelines for Multinational Enterprises?

The OECD Guidelines for Multinational Enterprises are recommendations on responsible business conduct addressed by governments to multinational enterprises. The task of the OECD, the Organisation for Economic Co-operation and Development, is to promote and harmonise economic growth and free trade among its member countries and to enhance social wellbeing. Responsible business conduct means that companies take account of their own economic, social and environmental impacts. The OECD Guidelines were approved in 1976 and the latest update was published in 2011. Finland is an OECD member, and in 1976 it undertook to comply with the Guidelines when it approved the OECD Declaration on International Investment and Multinational Enterprises, as the Guidelines are covered by the Declaration.

The themes of the OECD Guidelines are: employment and industrial relations; human rights; disclosure of information on business activities; the environment; combating bribery, bribe solicitation and extortion; consumer interests; competition; taxation; and science and technology.

The aims of the OECD Guidelines are to ensure that multinational enterprises operate in line with government policies, to reinforce trust between various parties and to promote foreign investments and sustainable development. The OECD Guidelines are the only guidelines on responsible business conduct that have an in-built complaints mechanism and are approved by governments.



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Summary of the Guidelines

General policies

In their activities, multinational enterprises should comply with domestic laws and regulations. Enterprises should take into account, prevent and mitigate negative impacts in regard to human rights, workers' rights, the environment and corruption. The Guidelines concern both the operations of enterprises themselves and those of their supply chains.

Disclosure of information on business activities

Multinational enterprises are expected to publish information on their business activities and financial performance on a regular and transparent basis. This allows enterprises to demonstrate that they take the aims of the Guidelines seriously.

Human rights

Governments have an obligation to protect human rights, which are rights that apply equally to all people. Multinational enterprises should respect human rights. They are expected to find ways to prevent and mitigate negative impacts on human rights and to take corrective action in the case of negative impacts on human rights that have already occurred.

Employment and industrial relations

Multinational enterprises should respect the rights of their workers and engage in cooperation with the workers' representatives. This means, for instance, that workers must have the right to join trade unions if they wish. Furthermore, enterprises are urged to combat discrimination, child labour and forced and compulsory labour.



Enterprises should take into account, prevent and mitigate negative impacts in regard to human rights, workers' rights, the environment and corruption.

Environment

Multinational enterprises are urged to prevent and mitigate negative impacts on the environment. Negative impacts on the environment can also be a risk to human health. Environmental protection can be seen as both an obligation and a business opportunity.

Combating bribery, bribe solicitation and extortion

Multinational enterprises have a key role to play in the fight against corruption and bribery. This could take the form of, for example, action plans for internal control and ethical conduct.

Consumer interests

Multinational enterprises should observe fair and honest marketing practices and ensure that their products and services are safe and of high quality.

Science and technology

Multinational enterprises have an impact on economic and social development by spreading new technologies around the world. They also have an important role in the development of innovations.

Competition

Multinational enterprises must comply with the applicable competition laws and refrain from actions that restrict competition. This will promote the operation of the market and economic growth.

Taxation

It is essential that multinational enterprises contribute to the funding of general government finances in their host countries by paying their taxes promptly and appropriately. The Guidelines emphasise that enterprises should act in accordance with the spirit and letter of the tax regulations in their countries of operation.



Multinational enterprises are urged to prevent and mitigate negative impacts on the environment. Negative impacts on the environment can also be a risk to human health





National Contact Points monitor observance of the Guidelines

Observance of the OECD Guidelines is monitored by National Contact Points (NCPs). Every country that is committed to the OECD Guidelines is required to have a National Contact Point.

The NCPs promote awareness of the Guidelines and, if requested, express a view on whether a particular multinational enterprise has acted in accordance with the Guidelines. In Finland, the National Contact Point consists of the Ministry of Economic Affairs and Employment together with the Committee on Corporate Social Responsibility. Provisions on the operation of Finland’s NCP are set out by a government decree (591/2008).

Under the decree, in complaints concerning the OECD Guidelines the Committee states its view, on the request of the Ministry, about whether the enterprise in question has acted in accordance with the Guidelines. The members of the Committee represent public authorities, labour market organisations and civil society. The current composition of the Committee is available on the website of the Ministry of Economic Affairs and Employment. It should nevertheless be noted that when the Committee handles complaints concerning the OECD Guidelines, its members are subject to personal liability for acts in office. This means that the members form their views independently, without consulting their own organisation, and that members handle the information concerning complaints on a confidential basis.

The Committee may set up a sub-committee from among its members to prepare the handling of a complaint in a particular case.



Photo 1. Constituent bodies of Finland's National Contact Point.

On which matters may complaints be submitted to the NCP?

Any party may submit a complaint to the NCP if the party suspects that a multinational enterprise has not observed the OECD Guidelines. The complaint should state which enterprise it concerns and which of the Guidelines have not been observed. A complaint may be submitted on behalf of several different parties. The official complaint form may be used for making complaints.² It should be noted that the NCP does not handle complaints concerning events that occurred more than three years earlier.

How are complaints processed?

Complaints concerning observance of the Guidelines should be submitted in writing to the Ministry of Economic Affairs and Employment at the following address: PO Box 32, FI-00023 GOVERNMENT, and a copy by email to ncp-finland@tem.fi.

After receiving the complaint, the NCP considers whether to accept it for further examination. This decision is based on the criteria set out in the OECD Guidelines. If the NCP decides not to examine the complaint, it will publish a description of the complaint and the grounds for its decision. If, on the other hand, the NCP accepts the complaint for further examination, it will then examine the complaint. This does not necessarily mean that the enterprise which is the subject of the complaint has not observed the Guidelines.

If the NCP decides to further examine the complaint, the parties are first offered good offices, an opportunity to reach agreement on the matter.

If no agreement can be reached, the Committee on Corporate Social Responsibility will, on the basis of the further examination of the complaint, prepare a final statement of its views on whether the enterprise acted in accordance with the Guidelines or not. This statement may also include recommendations for the enterprise about how the Guidelines should be applied. The Ministry of Economic Affairs and Employment makes the final decision on the matter after it has obtained the Committee's view.

1. Committee on Corporate Social Responsibility, <https://tem.fi/en/committee-on-corporate-social-responsibility>

2. How to submit a specific instance, <http://tem.fi/en/handling-specific-instances-of-the-oecd-guidelines-for-multinational-enterprises>

General policies in complaints processing

Under the Guidelines, a general policy is that the activities of the NCP are transparent and the statements it publishes are publicly available. However, procedural efficiency requires that confidentiality be appropriately secured during the processing of complaints. The NCP will take into account the need to protect business secrets and other confidential information.

The NCP aims to process complaints as quickly as possible. It acts in a manner that is impartial, predictable, equitable and compatible with the principles and standards of the Guidelines.

The decision of the Ministry of Economic Affairs and Employment is sent to the OECD Investment Committee for its information.

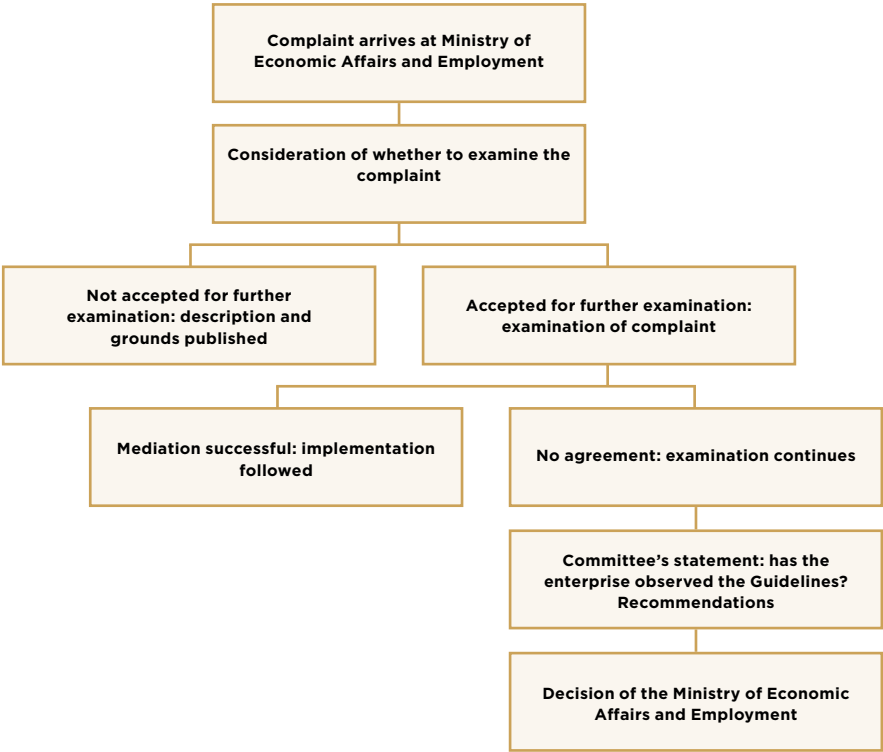


Photo 2. National Contact Point's processing of complaints.

Links

Ministry of Economic Affairs and Employment: Corporate social responsibility (CSR):

<http://tem.fi/en/social-responsibility>

The OECD Guidelines in Finnish:

<http://tem.fi/documents/1410877/2870803/>

[OECDn+toimintaohjeet+monikansallisille+yriyksille.pdf/2e3aa906-8cd6-4151-b24f-1588c079dda4](http://tem.fi/documents/1410877/2870803/OECDn+toimintaohjeet+monikansallisille+yriyksille.pdf/2e3aa906-8cd6-4151-b24f-1588c079dda4)

The OECD Guidelines in English:

<http://www.oecd.org/daf/inv/mne/48004323.pdf>

Website on the OECD Guidelines:

<http://mneguidelines.oecd.org/>

Finland's National Contact Point (NCP):

<http://tem.fi/en/handling-specific-instances-of-the-oecd-guidelines-for-multinational-enterprises>

Email address of the Finnish NCP:

ncp-finland@tem.fi

In brief

The OECD Guidelines for Multinational Enterprises are recommendations on responsible business conduct addressed by governments to multinational enterprises. This guide gives a brief explanation of the contents of the OECD Guidelines and the activities of the National Contact Point that monitors observance of the Guidelines in Finland.



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