# Do you operate internationally? Remember to apply the OECD Guidelines

The OECD Guidelines for Multinational Enterprises set out the principles and standards for responsible business conduct that the governments of the Netherlands and 49 other countries expect multinationals to observe. The Guidelines help companies deal with matters such as responsible supply chain management, human rights, child labour, the environment and corruption.

If you apply the OECD Guidelines, you will increase your transparency and reduce risk. As a result, your customers, financiers, shareholders and society in general will have greater confidence in your enterprise. Companies that say no to child labour, corruption and pollution in their supply chains find it easier to obtain financing, are eligible for government contracts and are less susceptible to pressure from society at large.

In the Netherlands, compliance with the OECD Guidelines is a condition for acquiring government funding for international trade and investment activities. Drafted in 1976 and endorsed by 50 countries, the OECD Guidelines are based on international instruments such as the conventions of the International Labor Organization (ILO) and the Universal Declaration of Human Rights. In 2000 and 2011, they were adapted to comply with the latest developments in international responsible business conduct (RBC) and responsible supply chain management, such as the UN Guiding Principles on Business and Human Rights. They provide the only guidance on responsible business conduct for international enterprise endorsed by governments and the only framework that includes a dispute resolution system.

#### National Contact Point

Every adhering country has a National Contact Point (NCP) charged with helping companies put the OECD Guidelines into practice.

#### An NCP has two main tasks:

- raising awareness of the OECD Guidelines with businesses, trade unions and non-governmental organisations and;
- contributing to the resolution of issues that arise from the alleged non-observance of the Guidelines in specific instances.

# The OECD Guidelines cover the following areas of interest to your company:

# I and II Policies and supply chain management:

Your company should contribute to the economic, environmental and social progress of the host country; comply with local laws and regulations; identify the risks to responsible business conduct within the supply chain; encourage local capacity building; apply rules of conduct to promote responsible business conduct; abstain from any improper involvement in local political activities.

## III Disclosure:

Your company should ensure that reliable and relevant information is disclosed regularly on your activities, including information about your social and environmental performance, codes of conduct and relationships with stakeholders.

# IV Human Rights:

Your company should respect the human rights of those affected by your company's activities, identify the risks and take appropriate measures to avoid and rectify human rights infringements.

# V Employment and industrial relations:

Your company should respect the right of employees to representation; refrain from discriminatory treatment of employees; pay a living wage and contribute to the effective abolition of child labour and every form of forced or compulsory labour.

#### VI Environment:

Your company should take due account of the need to protect the environment and public health and safety; establish and maintain an appropriate environmental management system and provide adequate education and training to workers in environmental health and safety matters.

## VII Combating corruption:

Your company should not – directly or indirectly – offer, promise, give or demand a bribe or other undue advantage in order to obtain or retain business or other improper advantage.

#### VIII Consumer interests:

Your company should ensure that the goods and services it provides meet all agreed or legally required standards for consumer health and safety..

# IX Science and technology:

Your company should adopt, where practicable in the course of its business activities, practices that permit the transfer and rapid diffusion of technologies and know-how, with due regard to the protection of intellectual property rights.

#### X Competition:

Your company should refrain from entering into or carrying out anti-competitive agreements.

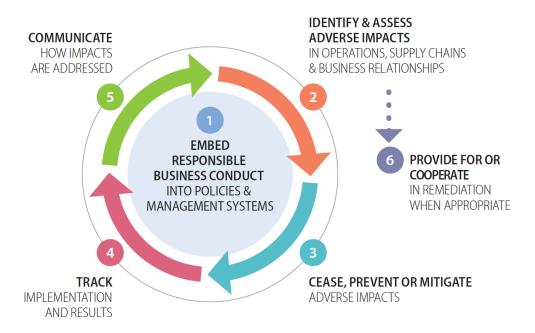
#### XI Taxation:

Your company should contribute to the public finances of the host country.

#### The OECD Guidelines & tools online

The Dutch NCP website contains extensive information regarding the OESO Guidelines and extensive information regarding the key theme of the internationally endorsed OECD Guidelines the due diligence process. Due diligence is a continuous process to help enterprises identify risks relating to human rights, labour rights and the environment with a view to ending, preventing or mitigating those risks. Due diligence is an essential element of international responsible business conduct.

The due diligence process consists of six stages (mentioned in the figure below).



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