

May 2024

SHORT GUIDE
to the Guidelines
for civil society:

Understanding and using the OECD Guidelines

for Multinational Enterprises on Responsible Business Conduct



What are the OECD Guidelines?

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (Guidelines) are recommendations from governments to companies on how to act responsibly. The Guidelines set non-binding standards for responsible business conduct across a range of important issues such as human rights, workers' rights, and the environment. They also include a grievance system to hear complaints against companies whose conduct falls below the standards. Governments that follow the Guidelines have committed to advance the standards through voluntary and binding policy and law.

In the absence of an international binding framework for corporate accountability, the OECD Guidelines are one of the few tools available to guide policy development on responsible business conduct and hold companies accountable for their harms around the world.

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What do the Guidelines say?



The OECD Guidelines contain two parts: standards for companies, and procedures to guide governments' implementation of the standards.



Standards for companies - key issues

- Animal welfare**  Companies should respect high animal welfare standards and avoid and address harm to biodiversity. Companies should ensure disease prevention, appropriate veterinary care, shelter, management, and nutrition. They should create a stimulating and safe environment for animals. And they should ensure humane handling and slaughter or killing.
- Corruption**  Companies should not engage in any form of corruption directly or through agents and should address impacts of corruption through due diligence. Companies should create a culture of integrity, such as with support from company directors and internal controls. Companies should engage civil society in anti-corruption programmes and be transparent about corruption incidents. Companies' lobbying practices should align with their sustainability commitments.
- Climate change**  Companies should implement transition pathways aligned with globally-agreed temperature goals, such as in the Paris Agreement. They should implement and monitor science-based emissions targets for scope 1, 2, and 3 emissions. Companies should prioritise eliminating emissions over reducing or offsetting them. Companies should respect communities' ability to adapt to climate change and improve disclosure of climate impacts and responses.
- Competition**  Companies should follow competition laws of relevant jurisdictions. They should not use competition law as an unjustified excuse not to engage in responsible business conduct initiatives with peers. Companies should avoid collusion between employers on salaries (wage-fixing) and hiring practices (such as no-poach and no-hiring agreements).
- Disclosure**  Companies should disclose their social and environmental impacts and responses, including as part of their due diligence. They should also disclose their global and capital structures, control arrangements, and beneficial owners, among other financially important data. Companies should align with best practices on transparency and take steps to overcome language or other access barriers for affected communities seeking information.
- Environment**  Companies should carry out due diligence to address, including by remediating, environmental harms such as climate change, biodiversity loss, deforestation, degradation of ecosystems, and pollution. Companies should implement science-based targets and strategies and continually improve environmental performance. They should engage affected people meaningfully and provide timely and accurate environmental information.
- Human rights**  Companies should respect all internationally recognised human rights. They should do human rights due diligence, considering intersecting risks to rightsholders and paying special attention to those at heightened risk, such as Indigenous peoples and defenders. Companies should conduct enhanced due diligence in armed conflict settings or where there is heightened risk of gross abuses.

- Human rights defenders**  Companies should refrain from reprisals (including SLAPP suits) against critics of business activity and encourage business partners (including states) to stop and prevent reprisals. Companies should provide or contribute to remedy for reprisals and promote safe space.
- Indigenous Peoples**  Companies should respect Indigenous Peoples' rights, including free, prior and informed consent. Companies should pay special attention to the rights of Indigenous Peoples during due diligence, ensuring meaningful engagement with all groups impacted. Companies should stop, prevent, mitigate, and remedy harm to Indigenous peoples and defenders.
- Just transition**  Companies should minimise their greenhouse gas emissions. They should prevent and mitigate impacts to workers, communities, and the environment both in their transition away from environmentally harmful practices and towards greener industries and energies. To help ensure a just transition, companies should engage meaningfully with relevant stakeholders and, where relevant, disengage responsibly.
- Land rights**  Companies should respect land rights among other internationally recognised human rights. Companies' due diligence should identify and address impacts on land and tenure rights and meaningfully engage affected tenure holders. Companies should avoid forced displacement and reprisals to people defending lands, forests, fisheries, and territories.
- Remedy**  Companies should provide or cooperate in remedy where they have caused or contributed to adverse impacts, including reprisals. Companies should also encourage business partners in their value chains to remediate their adverse impacts.
- Stakeholder engagement**  Companies should engage continuously with affected stakeholders before, during, and after business activities in good faith and in a way that is responsive to stakeholders' views. Engagement should be two-way, timely, accessible, appropriate, and safe for stakeholders. Companies should remove barriers to engagement for marginalised or vulnerable groups.
- Taxation**  Companies should adopt measures against tax avoidance, such as not abusing tax treaties and using the "arm's length" principle in transfer pricing. Companies should be transparent on tax issues, such as by sharing country-by-country reports and disclosing aggressive tax planning schemes.
- Technology**  Companies should carry out due diligence to address the ethical, labour, environmental, and social harms of their own and business partners' development, financing, sale, licensing, trade, and (mis)use of technology. Companies should adopt transparent and responsible data governance practices, including on privacy. They should seek to avoid misuse of civilian technology by authoritarian powers and respect children's rights in relation to technology.
- Workers' rights**  Companies should respect the rights of all workers in their value chains, not just employees, including rights to unionise and collectively bargain. Companies should eradicate forced and child labour, prioritise hiring local workers, ensure decent wages, avoid discrimination, and maintain the highest workplace health and safety standards.

Who is responsible for implementing the standards?



Companies

Multinational enterprises of all sectors, sizes, and ownership models should observe the standards in their activities and operations across their value chains. Failure of governments to respect human rights or uphold the Guidelines does not reduce the expectation that companies should do so.

National Contact Points

All governments that follow the Guidelines must set up a National Contact Point for Responsible Business Conduct (NCP) to promote the standards in the Guidelines and help resolve complaints against companies whose practices allegedly fall below the standards. NCPs can also help their governments advance policy and law on responsible business conduct.

NCPs promote the Guidelines to all stakeholders through publications, tools, and events. During complaints-handling, NCPs are expected to encourage dialogue between the parties (usually through mediation) and provide expert statements on correct implementation of the standards. The NCPs' role is to help parties reach agreement around a commitment by the company to address past harms where relevant, and improve practices moving forward.

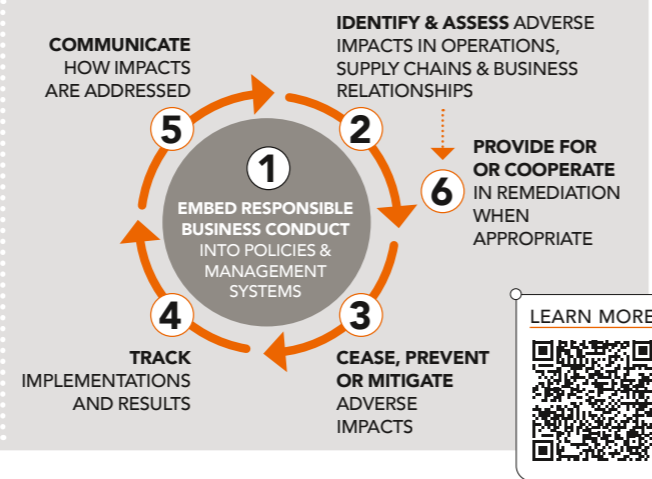
NCPs vary a lot in their structure and operations. Some NCPs are located in a single ministry and staffed by government employees, while others include representatives from several ministries, or even civil society, unions, and business. All NCPs are expected to be visible, accessible, transparent, accountable, impartial and equitable, predictable, and to work in a way that aligns with the Guidelines. In OECD Watch's experience, NCPs vary considerably in their achievement of these expectations and their effectiveness in promoting the Guidelines and helping resolve disputes.

The OECD

The Organisation for Economic Co-Operation and Development (OECD) is a forum for governments to share experiences and seek solutions to common economic and social problems. The OECD's Investment Committee and Working Party on Responsible Business Conduct help governments implement the Guidelines. Other OECD committees also undertake work relevant to responsible business conduct.

OECD due diligence guidance

Due diligence is the key tool the Guidelines recommend companies use to identify and address their harms. The OECD Due Diligence Guidance for Responsible Business Conduct provides practical guidance for companies in all sectors on how to implement the six steps of due diligence. The OECD also offers sector-specific due diligence guidance for the following sectors: agriculture, extractives, finance, garment and footwear, and minerals (sourced from conflict-affected and high-risk areas, and on preventing child labour).



How can the OECD Guidelines help you fight corporate harm?



Use the Guidelines for community awareness and company engagement

The Guidelines are a powerful tool for engaging with both communities and companies. Familiarising communities and workers with the Guidelines' strong, government-backed standards can enable them to better define how they are being mistreated and fight more effectively for their rights when talking to companies and governments. Telling companies about the high standards expected of them, and informing them of the NCP grievance mechanisms to address irresponsible conduct, can help encourage companies to act responsibly.

Use the Guidelines for policy advocacy

The Guidelines also provide a strong baseline for law and policy on corporate accountability and value chain due diligence. They are recognised as the leading global standard on responsible business conduct and due diligence. They are authored by governments and backed by business, unions, and civil society. They ensure broad coverage of issues, sectors, and company types and establish a robust framework for corporate responsibility. Harmonising national and regional law and policy with the Guidelines, where the Guidelines' standards are higher, can strengthen the effectiveness of those initiatives and secure better implementation by companies.

The OECD and governments have called for alignment between the Guidelines and other voluntary and mandatory measures on responsible business conduct.

Use the Guidelines for complaints

WHY file a complaint?

NCP complaints (called “specific instances”) can be a useful tool to fight for justice. They offer some advantages over other types of claims:

- The NCP grievance mechanisms are usually cheaper, faster, more accessible, and less adversarial because they focus on dialogue.
- The Guidelines offer more grounds for claims than available under law.
- Companies can agree to a wider range of responses, such as improving future practices, stopping current harms, cleaning up pollution, and compensating victims (although this is rare).
- Even if mediation does not achieve agreement, NCPs can make recommendations to encourage better company practice and determinations on whether the company’s conduct met or fell below the Guidelines’ standards. These recommendations and determinations can lead later to remedy and reform.

Tip: Embed an NCP complaint in a wider strategy for justice. Because the Guidelines’ standards are voluntary for companies and because NCPs cannot require a company to engage in a complaint or remediate harms, the NCP complaint itself may not achieve meaningful change. However, if embedded in a wider strategy, a complaint can achieve remedy by itself, or increase attention to the harms among the public, media, governments, and the company’s shareholders or investors to help bring about remedy later. Strategic complaints can also advance global norms on the scope and expectations for responsible business conduct.

Sometimes filing an NCP complaint is not the right way forward. Talking directly to a company or its business partners, a government office, or media outlets may be faster and more impactful. There may also be better remedy pathways, including filing a complaint to a court, administrative tribunal, human rights commission, accountability mechanism of a development finance institution, or industry or company grievance mechanism.

WHO can file a complaint?



Any individual, group, or organisation with an interest in the issues raised can file a complaint. This includes community members, workers, trade unions, and civil society organisations focused on the relevant issues.

Tip: Collaborate with other communities and civil society. Collaborating with communities and national and international civil society focused on similar issues, harms, companies, sectors, or victim groups can strengthen your expertise and impact in a complaint. Contact OECD Watch for help building collaborations.

About WHAT issues can you file a complaint?

You can file a complaint about an alleged failure by a company to follow one or more of the Guidelines’ many standards. Complaints can be filed about past harms insufficiently addressed by a company, harms currently occurring, or harms that may occur if a company goes ahead with planned activities.

Tip: Collect convincing evidence about your strongest claims. Evidence about the harm can include witness statements, company documents, and public articles or reports. The evidence should help show that harm is occurring or likely to occur and linked to a company’s failure to meet the standards in the Guidelines. Filing strong claims on just a few standards is better than including many less-substantiated claims.

The who, what, where of the complaint process... ...and tips for filing strong complaints

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Against WHICH companies can you file a complaint?

You can file a complaint against one or more multinational enterprises connected to the harm, either if the multinational is headquartered in a country that follows the OECD Guidelines, or if the harm is occurring in a country that follows the Guidelines. You can file complaints against many companies all linked to the same underlying situation.

Tip: Consider complaints against each company related to the harm. First identify the actor causing the harm. Then try to find out (through your own research or support of other civil society) all the companies (including parent company(ies), investors, buyers, or consultants) that are connected to the harm through that actor and headquartered in countries that follow the Guidelines. All of these companies may have some responsibility for the harm. Companies causing or contributing to the harm should stop their harmful activity and provide or contribute to remedy, and companies directly linked to the harm should work to mitigate it and encourage business relations to provide remedy.

WHERE to file a complaint?

Complaints should be filed at the NCP of the country where the issues have arisen. This may be the country where the harm is felt on the ground (the host country). This may also be the country where the company is headquartered (the home country), either because the host country does not follow the Guidelines and has no NCP, or because the issues actually arose during (poor) decision-making at headquarters level. Sometimes, both the host and home countries have NCPs. Complaints can be filed at both NCPs or just one. NCPs handling complaints on the same situation will collaborate.

Tip: File a complaint towards the companies and NCPs that best support your larger strategy. Explore OECD Watch’s evaluations of NCP effectiveness and connect with OECD Watch to strategise on where, and against which companies, to file a complaint.

WHEN can you file a complaint?

Complaints can be filed before, during, or after alleged harms (and non-observance of the Guidelines) occur.

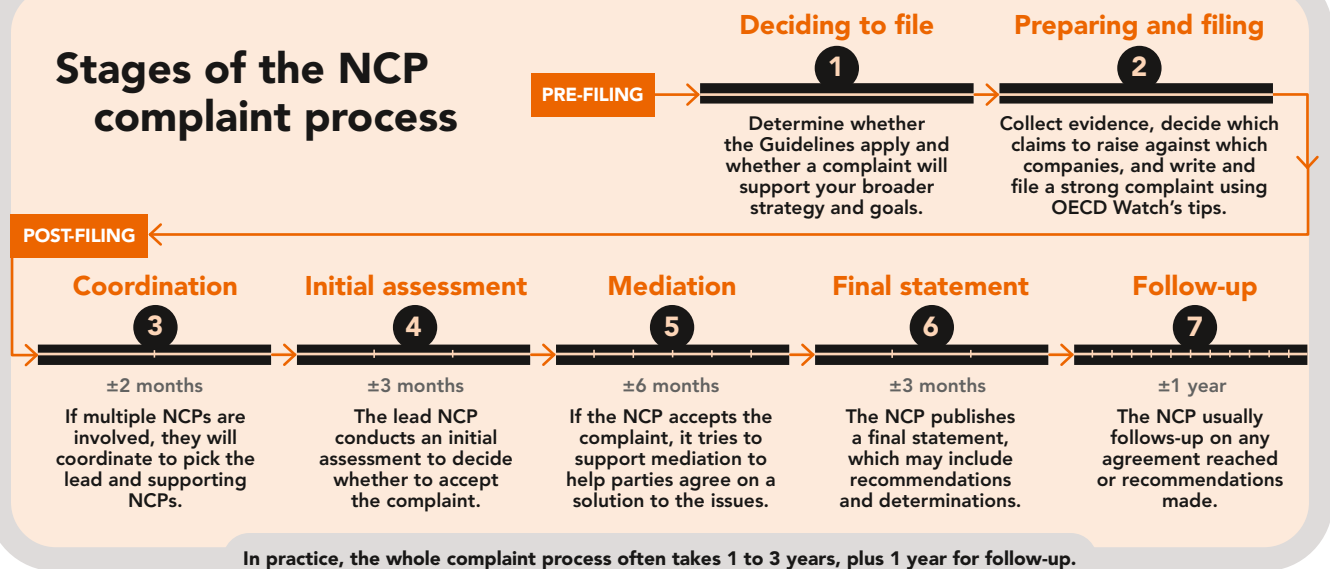
Tip: File the complaint at the right time to support your larger strategy. Determine the best time for filing in relation to other aspects of your strategy. Consider things like public awareness of the situation, media interest, government activity on related issues, or the timelines of other complaints.

HOW to file a complaint

Draft a short, clear complaint that shows the claims meet the six admissibility criteria in the Guidelines’ Procedures (part II of the Guidelines). Follow the individual NCP(s)’s requirements for filing.

Tip: Follow OECD Watch guidance on how to draft a strong complaint.

Stages of the NCP complaint process



About OECD Watch

OECD Watch is a global civil society network with more than 130 members in over 50 countries. Membership consists of a diverse range of grassroots as well as large organisations committed to ensuring business activity respects human rights and the planet and companies are held accountable for their harms around the globe. OECD Watch undertakes a range of activities centred on empowering communities, workers, and civil society to engage with and influence the OECD and use the OECD Guidelines and NCP complaints to achieve accountability for corporate misconduct.

Capacity building and case support

OECD Watch provides training and guidance on how to use the Guidelines effectively in engagement, advocacy, and complaints. We advise civil society and victims throughout the entire NCP complaint process and provide small grants to national and local NGOs whose work contributes to the aims of the network.

Research and analysis

OECD Watch maintains a **database** of all NCP complaints filed by NGOs and communities and **evaluates NCPs** on key performance indicators. This information helps us track trends, spot problems, and identify good practices to improve the impact of the Guidelines and NCPs.

Policy and advocacy at the OECD

OECD Watch is the recognised representative of civil society at the OECD Investment Committee. OECD Watch also engages with other OECD entities on targeted issues, such as accession to the OECD, export credits, and responsible procurement. We bring community and civil society perspectives into policy debates at the OECD.

Policy and advocacy beyond the OECD

OECD Watch uses its expertise in the OECD Guidelines to help civil society advocate for stronger law and policy on corporate accountability around the world, including through promoting alignment between the Guidelines and mandatory initiatives.

[COMPLAINTS DATABASE](#)



[NCPs EVALUATIONS](#)



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