



# Regional Conference on Corporate Responsibility

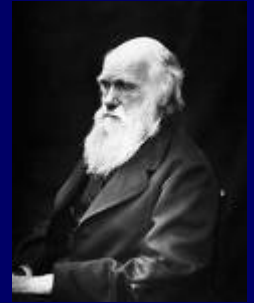


## ‘What the OECD MNE Guidelines can do for Asian firms’

Bangkok, 3 November 2009

Paul Hohnen, Sustainability Strategies, Amsterdam

‘It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.’



Charles Darwin, naturalist and author (1809-1882)

# Relevant to Asian firms

Interested in:

- ✓ Knowing what is accepted as good CSR practice across global markets
- ✓ Wanting to win clients based on sound risk management and sustainability policies
- ✓ Using a CSR approach that is comprehensive, compact and recognised

# Summary: Advantages

- ✓ Guidance for voluntary use
- ✓ Globally recognised & applicable
- ✓ Comprehensive & convenient
- ✓ Compatible with other leading tools
- ✓ Wide use in business community
- ✓ Unique mediation process
- ✓ Can be used informally

A case for Asian governments to join the 11 non-OECD countries that adhere to the Guidelines?

# Guidance for voluntary use

- ✓ Non-binding recommendations for responsible business conduct
- ✓ Aimed at promoting the positive contributions that MNEs can make to sustainable development
- ✓ Also for use by SMEs

# Globally recognised & applicable

- ✓ Formally adhered to by 30 OECD states (including Japan and ROK) and 11 non-member states (Argentina, Brazil, Chile, Egypt, Estonia, Israel, Latvia, Lithuania, Peru, Romania & Slovenia)
- ✓ Formally endorsed by G8

# Globally recognised & applicable

‘ We commit ourselves to promote actively internationally agreed corporate social responsibility and labour standards (such as the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration), high environmental standards and better governance through OECD Guidelines' National Contact Points. We call on private corporations and business organizations to adhere to the principles in the OECD Guidelines for Multinational Enterprises.’

Para. 24, Growth and Responsibility in the World Economy, Summit Declaration, Heiligendamm, June 7, 2007



# Globally recognised & applicable

“ ...the OECD Guidelines are currently the most widely applicable set of government-endorsed standards related to corporate responsibility and human rights.”

Para. 46, Report of the Special Representative of the Secretary-General (SRSG) on the issue of human rights and transnational corporations and other business enterprises, 7 April 2008.



# Comprehensive & convenient

- ✓ General policies
- ✓ Information disclosure
- ✓ Employment & industrial relations
- ✓ Environment
- ✓ Combating bribery
- ✓ Consumer interests
- ✓ Science & technology
- ✓ Competition
- ✓ Taxation



Only 12  
pages!

# Compatible with other leading tools

- ✓ Include issues addressed in UN Global Compact & ILO Tripartite Declaration



- ✓ GRI can be used to communicate progress



# Wide use in business community

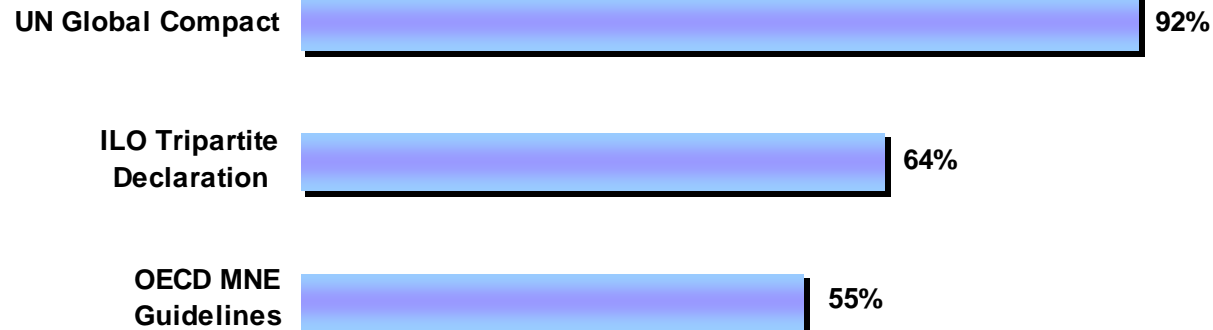
- ✓ Developed and supported by business community (BIAC – [www.biac.org](http://www.biac.org))
- ✓ Used in developing own CSR policies and approaches

# Wide use in business community

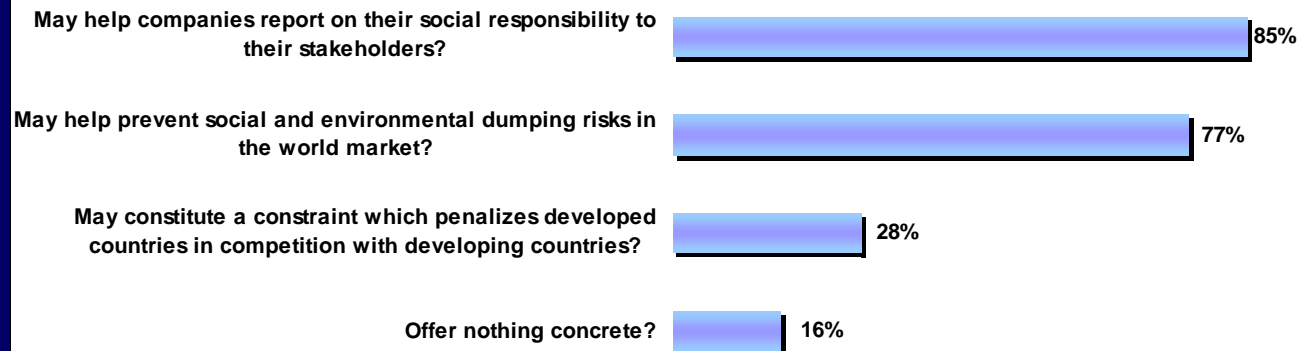


2008

*Is your CSR approach based on or inspired by international instruments ?*



*Do you think OECD MNE Guidelines:*



# Wide use in business community

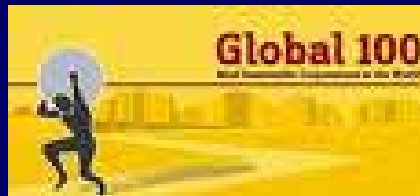


What do the companies above have in common?

# Wide use in business community



Nearly a quarter of 2009 Global 100 'Most Sustainable' companies cite OECD Guidelines



# Wide use in business community



# Wide use in business community



“This year the Board supported the OECD Guidelines for Multinational Enterprises as a framework to help us further develop our corporate responsibility approach.”

*Charles Goode, Chairman, ANZ  
2007 Corporate Responsibility Report*

ANZ rated as ‘the most sustainable bank globally’, 2007





# Wide use in business community

## CROSS-REFERENCE TABLES

GRI (G3), GLOBAL COMPACT  
AND OECD GUIDELINES

UNE REFERENCE	GLOBAL COMPACT PRINCIPLE	OECD PRINCIPLE	ANNEXES OF REPORT
<b>Vision and strategy</b>			
5.1	Principle 9	General policies 1	pp. 3, 22-23, 34-35, 44-45
5.2			pp. 9-10
<b>Profile</b>			
2.1	Disclosure 3	Cover	
2.2		Inside front cover	
2.3	Disclosure 3	Inside front cover, pp. 20-71	
2.4	Disclosure 3	Inside back cover	
2.5	Disclosure 3	Inside front cover, pp. 70-71	
2.6	Disclosure 3	Outside back cover, pp. 54-55	
2.7	Disclosure 3	Inside front cover, pp. 70-71	
2.8	Disclosure 3	Inside front cover, 48	
2.9		p. 80	
2.10		p. 42	
<b>Management systems</b>			
3.1		pp. 90-92	
3.2		pp. 90-92	
3.3		pp. 90-92	
3.4		Inside back cover	
3.5		pp. 8-9, 12-13, 60-62	
3.6		Inside front cover, pp. 50-53, 60-62	
3.7		pp. 30-43, 60-62	
3.8		pp. 90-92	
3.9		pp. 54-63, 60-62	
3.10		pp. 54-63, 60-62	
3.11		pp. 54-63, 60-62	
3.12		pp. 54-63, Inside back cover	
3.13	Disclosure 3	p. 48	
<b>Governance</b>			
4.1	General policies 6	pp. 9-10	
4.2	General policies 6	48	
4.3	General policies 6	pp. 9-10, 48	
4.4-4.7	General policies 6	48	
4.8	General policies 7 and 8	pp. 9-10, 38-40	
4.9	Disclosure 5	Responsible employer and Manufacturing Social Conditions Issues in Challenges Booklet	
4.10		pp. 9-10, 38-40	
4.11	Environment 3 and 4 Principle 7	pp. 6-7, 10, 30-37, 48	
4.12	General policies 7 and 8 Disclosure 3, 5 and 12	pp. 3, 7, 30-37, 38, 39-39, 40, 48 Responsible employer and Manufacturing Social Conditions Issues in Challenges Booklet	
4.13		pp. 3, 6-7, 13-15, 27, 42-43, 40-51	
4.14		pp. 13-15, 24-25	
4.15		pp. 13-15, 23-23, 54-56, 44-45	
4.16		pp. 13-15, 24-25	
4.17	Disclosure 3	pp. 13-15, 24-25	
<b>Economics</b>			
Economic performance	EC1		Inside front cover, p. 7, 40 Climate Change
	EC2		pp. 7, 50-63
Indirect economic impact	EC3		pp. 35, 40-41, 48-48, 50-51
<b>Environment</b>			
Rare materials	EN1 Principle 8		pp. 47, 50-51
	EN2 Principle 8		p. 42
Energy	EN3 Principle 8		Climate Change pp. 30-63
	EN6 Principle 8		Climate Change
	EN8 Principle 8		Climate Change
Water	EN9 Principle 8		pp. 37, 40-41
	EN10 Principle 8		pp. 40-41, Sustainable Consumption (see Challenges Booklet)
Emissions, Effluents and waste	EN14 Principle 8		pp. 40-41, Sustainable Consumption (see Challenges Booklet)
	EN16 Principle 8		pp. 50-63 Climate Change (see Challenges Booklet)
	EN17 Principle 8		Climate Change (see Challenges Booklet)
	EN18 Principle 8		pp. 40-45, Climate Change (see Challenges Booklet)
Products and services	EN22 Principle 8	Environment 6.0	pp. 50-63
	EN26 Principle 8	Environment 6.0	pp. 40-51, Sustainable Consumption and Climate Change (see Challenges Booklet)
Transport	EN28 Principle 8		Climate Change (see Challenges Booklet)
<b>Labour/management</b>			
Employment	LJ1		Inside front cover, pp. 43, 70-71
Industrial health and safety	LJ2		pp. 30-63
Training and education	LJ15	General policies 4	pp. 30-63
<b>Human rights</b>			
Resolving contracting practices	HR1 Principle 1	General policies 2	pp. 3, 34-35, Manufacturing social conditions p. 37
	HR2 Principle 1 and 2	General policies 10	Manufacturing social conditions pp. 3, 34-35, Manufacturing social conditions
Child labour	HR3 Principle 3	Employment and Industrial relations 1.0	Manufacturing social conditions
<b>Society</b>			
Community	SC1	General policies 3 Environment 2	pp. 32-34
Corruption	SC2 Principle 10	Fight against corruption 1, 2, 3, 4 and 5	pp. 5, 6-7
Public affairs	SC5		pp. 74-75
<b>Product responsibility</b>			
Health and safety	PR1	Consumer interests 1 and 6	pp. 15, 22-23, 30-37, 40-47
	PR2	Consumer interests 2	pp. 22-25

Report  
GRI - Global Reporting Initiative  
4P - 2007 Annual Report



# Unique mediation process

“ ... anyone can now bring a complaint against a multinational firm operating within the OECD Guidelines’ sphere to the attention of a National Contact Point (NCP) - non-judicial review procedure.”

Report of the Special Representative of the Secretary-General (SRSG) on the issue of human rights and transnational corporations and other business enterprises, 9 February 2007.

# Unique mediation process

- ✓ A mechanism to discuss and resolve issues relating to the implementation of the Guidelines
- ✓ Government 'National Contact Points' (NCPs) offer good offices
- ✓ Confidential and non-adversarial approach

# Can be used informally

- ✓ Available for free use by any company, anywhere in shaping own CSR approach
- ✓ No 'membership' requirement
- ✓ Open to 3<sup>rd</sup> party assurance

**NB. Formal use (including NCP benefits) only if host state adheres to Guidelines.**



Our strategy for  
the future is to  
make sure there  
is a future.

We're committed to becoming the first  
insurer to go carbon neutral worldwide.

# Harvard Business Review

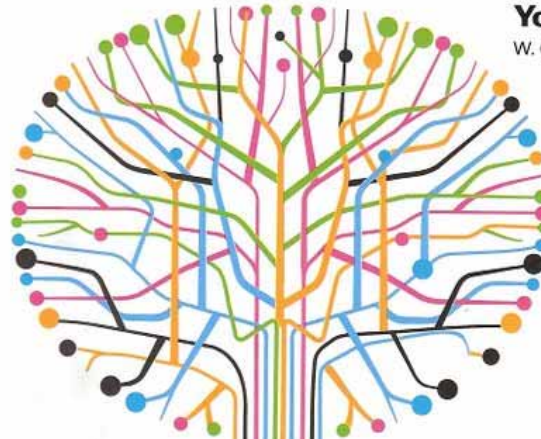
hbr.org



September 2009

## Taking Control of Your Market Space

W. Chan Kim and Renée Mauborgne



SUSTAINABILITY  
INNOVATION

## HOW GREEN WILL SAVE US

### Why Your Next Business Model Must Be Green

Ram Nidumolu,  
C.K. Prahalad, and  
M.R. Rangaswami

## 6 Energy Innovations to Watch

**BILL CLINTON** on  
Creating Value in  
an Economic Crisis