



OECD Guidelines for Multinational Enterprises

Annual Report 2010/2011 on Activities of the Swiss National Contact Point for the OECD Guide- lines for Multinational Enterprises

A. Institutional Arrangements

The Swiss National Contact Point (NCP) has a single-department structure and is part of the International Investment and Multinational Enterprises Unit of the State Secretariat for Economic Affairs SECO (Federal Department of Economic Affairs FDEA). In the view of SECO, international investments and Corporate Social Responsibility (CSR) go hand in hand. For that reason, the task to protect Swiss businesses investing abroad and the NCP have been assigned to the same governmental unit. Thus, the support to businesses operating internationally can be combined with fostering responsible corporate behaviour in an effective and flexible way.

Whenever a specific instance is submitted to the NCP, an "ad hoc" committee is constituted in order to deliberate on the issues raised and to support the NCP during the whole proceeding. The committee includes representatives from relevant other government agencies, taking into account the specific expertise needed (e.g. labour relations, environment) as well as the particular context of the country concerned. In fact, in such situations the NCP is working as a multi-department structured NCP.

Relations to other government agencies

The NCP is maintaining regular contact with different other government agencies, which cover aspects of the OECD Guidelines and collaborates closely with them in the case of specific instances as mentioned above.

Specifically during the period under review, the NCP cooperated closely and in a more regular manner with other relevant government agencies in order to develop the Swiss position regarding the update of the OECD Guidelines.

Relations to social partners and other interested parties, including non-governmental organisations (NGOs)

The cooperation with stakeholders is a priority of the Swiss NCP. By means of an open and comprehensive consultative group, which keeps up regular contact and meets at least once a year, the NCP can take advantage of the different perspectives and experiences offered by

its stakeholders. This consultative group includes several representatives of social partners, employer organizations, multinational enterprises, NGOs as well as of several government agencies.

In line with the update of the Guidelines, contacts with all stakeholders have increased during the period under review and the consultative group met three times (December 2010, March and June 2011). It will continue to meet on a regular basis. The NCP also engaged in several other meetings with the aforementioned stakeholders to further discuss issues related to the update of the OECD Guidelines.

Relations with other major CSR initiatives

The NCP keeps close contact to the Swiss UN Global Compact Network¹, which is managed by the International Chamber of Commerce Switzerland. At times, the NCP is elaborating on specific subjects (e.g. update of the Guidelines, prevention of corruption) during events organized by the UN Global Compact Network.

The NCP is in contact with the International Labour Organisation (ILO) and follows its activities in the fields of CSR in order to allow responding to the variety of issues in relation to labour conflicts submitted to the NCP.

The NCP also closely followed the activities of the UN Special Representative of the Secretary-General, John Ruggie, regarding the issue of human rights and transnational corporations and other business enterprises. In this context, the NCP participated during the period under review in several meetings and consultations in order to discuss the elaboration of the Final Report.

Furthermore, the development of the ISO 26000 initiative was closely followed. For the NCP it will be interesting to look at the acceptance as well as the implementation of this new standard. Moreover, the NCP observes developments in other fora and of other relevant initiatives, such as the Extractive Industries Transparency Initiative (EITI) or the Voluntary Principles on Security and Human Rights.

In addition, the NCP follows - in its role as focal point for general questions in relation to responsible business conduct - different other CSR initiatives, linking them with the OECD Guidelines in order to benefit from synergies. Moreover, new developments are observed carefully since they allow the NCP to follow the broader debate on CSR.

B. Information and Promotion

The NCP has its own comprehensive internet page providing all necessary information related to the Guidelines² and the functioning of the NCP³. It is regularly updated and can be consulted in the three official languages of Switzerland (French, German and Italian) as well as in English. The Guidelines are available on this website in all four aforementioned languages.

Since 2010, the NCP is distributing a flyer intended for multinational companies and other

¹ <http://www.unglobalcompact.ch/e/seiten/default.aspx>, 11.05.2011

² <http://www.seco.admin.ch/themen/00513/00527/01213/index.html?lang=en>, 11.05.2011

³ <http://www.seco.admin.ch/ncp>

stakeholders summarising the Guidelines as well as the functioning of the Swiss NCP. This flyer has been largely disseminated through different channels after its publication in April 2010 and is now distributed at conferences, meetings and other occasions involving the NCP. The flyer is available in the three official languages of Switzerland as well as in English.

In its function as focal point for general questions in relation to responsible business conduct, SECO also maintains a webpage on CSR issues on which the OECD Guidelines are referenced.⁴

Cooperation with the business community, trade unions, NGOs and the interested public

During 2010/2011, contacts and exchange between the NCP and its stakeholders have considerably increased within the framework of the update of the OECD Guidelines, giving the NCP as well as all stakeholders the possibility to exchange views on a more regular basis. There have been three meetings with the consultative group (December 2010, March and June 2011) with a respectable number of participants from all stakeholder groups. The meetings were mainly dedicated to the information as well as to the exchange of information and views regarding the update of the Guidelines. Furthermore, the annual report of the Swiss NCP at hand as well as other developments were presented and discussed at the June 2011 meeting.

The NCP made use of its good contacts to its different stakeholders in order to disseminate the flyer on the Guidelines and the role of the Swiss NCP. This included, in the period under review, distributing the flyer and other information on the OECD Guidelines to CEOs and other high level corporate executives.

Other information and promotion activities

The Guidelines and in particular the role and functioning of the NCP were presented at several public events. High level representatives of the Swiss Government referred to the Guidelines at several occasions in Switzerland as well as during missions abroad such as economic missions to developing countries. In addition, different government agencies as well as Swiss embassies abroad continued to be involved in the promotion of the Guidelines and of responsible business conduct.

On different occasions, the NCP had the occasion to present the framework of the update of the Guidelines to different publics and successfully invited all stakeholders to participate in the update process.

OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones

The NCP has its own internet page providing all necessary information related to the Guidelines and the functioning of the NCP. It also contains information on the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones. Furthermore, the NCP took different opportunities during discussions with Swiss multinational enterprises to refer to the mentioned tool.

Enquiries of different stakeholders

During the period under review, the NCP has been in close contact with several other NCPs (e.g. Germany, France, Canada, Netherlands, UK) in order to coordinate activities regarding

⁴ <http://www.seco.admin.ch/themen/00645/04008/index.html?lang=de>, 11.05.2011

specific instances raised and to exchange information as well as experiences on the functioning of the NCP. The Swiss NCP benefited from the experiences of other NCPs and is convinced that peer learning and exchange of best practices need to be promoted in the future.

Since the start of the update of the Guidelines, the NCP has received and answered several requests from different stakeholders concerning the update and the consequences for the Swiss NCP. In this regard, the NCP also replied to questions raised in Parliament (National Council), thus raising awareness for these recommendations up to the highest political level.

In addition, the NCP - in its function as focal point for general questions regarding responsible business conduct - continued to discuss and reply to requests in relation to CSR, which are regularly received from the business community, trade unions, NGOs, researchers and the general public. These occasions are also used to promote the expectations of the Swiss Government in relation to the implementation of the OECD Guidelines.

C. Implementation in specific instances

The NCP accepted in February 2010 a specific instance raised in December 2009 by workers' representatives concerning conflicts in relation with the closure of two production sites in the Philippines as well as the partial closure of a factory in Thailand of the Swiss multinational enterprise Triumph International. The NCP subsequently offered its good services to contribute to a solution of the issues raised in the submission. The enterprise accepted the offer of the NCP to facilitate a dialogue and suggested a framework and conditions for such discussions. The submitting parties welcomed Triumph's willingness to engage in a dialogue, but did not agree on all elements of the suggested framework. Although the NCP tried to facilitate an agreement on the framework for the dialogue it came to the conclusion that such an agreement could not be reached, taking into account the exchange of written positions over a period of several months. It therefore decided to conclude the proceeding and to issue a final statement which was published in January 2011.

In October 2010, the NCP received two specific instances regarding the possible use of child labor in the supply chain of two Swiss enterprises active in Uzbekistan. In December 2010, the NCP received a similar submission regarding a third Swiss enterprise active in the same country. The NCP accepted all three specific instances in March 2011 and offered its good offices to all the parties involved. The proceeding is ongoing.

Another specific instance was submitted to the NCP in April 2011 concerning the activities of a subsidiary in Zambia, co-owned by a Swiss and a Canadian multinational enterprise. At the time of publication of this report, the NCP had not yet concluded its Initial Assessment and decided whether it would accept this specific instance or not.

In addition, the Swiss NCP has been collaborating at different occasions with other NCPs treating specific instances linked to Swiss multinational enterprises. The collaboration mainly consisted in the exchange of information.

D. Other

The Swiss NCP avails itself of the successful update of the OECD Guidelines - giving more explicit recommendations for the role and functioning of the NCPs - to clarify and structure the different steps which the NCP may take regarding specific instances. This will be done in the perspective to publish a procedural guidance on its website, which will provide a detailed guidance to all parties involved in a specific instance procedure.

With respect to specific instances the NCP offers, upon agreement of the parties concerned, non-controversial procedures to assist them in resolving the issues at hand (platform for dialogue, conciliation, mediation). However, the NCP does not see it as its role to form or publish a judgement on the controversial issues or the question whether the Guidelines have been breached (adjudication).