

## Revision of the OECD Guidelines for Multinational Enterprises

*Business at OECD (BIAC) perspective*

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*Business at OECD* is strongly committed to responsible business conduct and has consistently underlined that it goes hand in hand with an open trade and investment environment. The OECD Guidelines for Multinational Enterprises (MNEs) play an important role in this area.

During the stocktaking exercise and the subsequent 2022-23 revision of the MNE Guidelines, *Business at OECD*, as the OECD's institutional business stakeholder, provided constructive, comprehensive, and consensus-based private sector inputs to the negotiations of adhering governments.

The revision has led to substantive changes across several chapters of the Guidelines and considerably expanded the scale and scope of expectations on states and recommendations to MNEs. While a number of our comments were taken into account, the overall complexity of the text has significantly increased and a number of challenges for MNEs remain, amongst others related to the practicability of certain provisions. Adhering parties, National Contact Points (NCPs), and the business community must be given sufficient time to assess these additional complexities and should be able to bring any challenges they encounter to the attention of the OECD and the relevant authorities.

In light of their voluntary and aspirational nature, we underline that the Guidelines must not be considered as a template for binding regulatory or legislative action at international, regional, national or local level. As stated in the Preface, the Guidelines “provide voluntary principles and standards for responsible business conduct” and “may go beyond what enterprises are legally required to comply with”.

For the application of the expanded set of recommendations in the revised Guidelines, we underline the importance of a balanced approach, taking into account business realities in often challenging situations on the ground. Rather than risk “cut and run”, we need to ensure a “stay and improve” approach, encouraging companies to keep investing and creating jobs around the world, including in regions with a challenging governance environment. We also underline the importance of NCPs being sufficiently resourced to offer a platform for constructive engagement and mediation. Finally, we would like to highlight the importance of engagement to keep promoting the MNE Guidelines in non-OECD countries with a view to contribute to a global level playing field.

*Business at OECD* will work closely with its members to raise the visibility of the Guidelines and engage in capacity building activities. We will continue to engage in constructive discussions with the OECD to foster responsible business conduct globally and support uptake on the ground. Further, we will play a central role in bringing issues related to the Guidelines to the attention of the OECD.