

OECD Guidelines for Multinational Enterprises in practice

Guidance for application in business operations



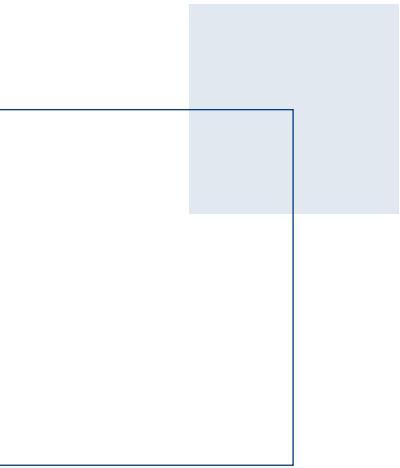
Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO



Global Compact
Network Switzerland



Foreword

Dear readers,

The OECD Guidelines for Multinational Enterprises from 1976 (last updated in 2011) represent the most comprehensive multilateral code of conduct for ensuring responsible business conduct (corporate social responsibility, CSR). The guidelines were elaborated by the OECD member states in cooperation with enterprises, trade unions and non-governmental organisations (NGOs). All OECD member states and around a dozen other countries have agreed to assume a legally binding obligation to promote the guidelines, whose recommendations are directed towards all companies that operate on an international scale – from small businesses to large corporations. The guidelines themselves form a code of conduct that is not legally binding but whose recommendations can be used to supplement existing legislation in adhering countries. The guidelines should be observed wherever an enterprise operates.

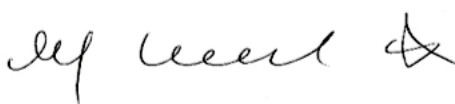
The objective of the guidelines is to further the contribution multinational enterprises make to global economic, environmental and social progress. The guidelines contain recommendations on disclosure of information, human rights (including recommendations based on the UN Guiding Principles on Business and Human Rights), employment and industrial relations, the environment, fighting corruption, consumer interests, science and technology, competition and taxation.

The signatory states promote the implementation of the guidelines, in particular through the activities of National Contact Points (NCPs). NCPs publicise the guidelines and also serve as a point of contact for reporting suspected violations. In addition, NCPs offer a dialogue platform for handling enquiries and submissions, and they also act as a mediator for resolving conflicts out of court. The organisational structure and responsibilities of the Swiss NCP are defined by a Federal Council ordinance. The Swiss NCP Secretariat is located in the State Secretariat for Economic Affairs, SECO.

The issue of responsible business conduct has become much more important over the last few years. Successful enterprises have long since recognised this fact. Such companies have established CSR as a firm component of their corporate policy; they have put CSR principles into practice and they monitor the results achieved. Along with the OECD Guidelines, these companies also base their conduct and activities on other coordinated CSR instruments, such as the United Nations Global Compact from 2000 (see pp. 33–35). The Global Compact contains ten principles on human rights, labour, the environment and anti-corruption, and these principles are promoted in Switzerland by the Global Compact Network Switzerland.

It is important to us to support enterprises with the implementation of principles of responsible business conduct, in particular as defined in the OECD Guidelines and the UN Global Compact. This guidance contains helpful information on the implementation of CSR principles and uses case studies to illustrate how the principles are applied in practice. The guidance also includes a self-test that allows you to evaluate the individual strengths and risks at your enterprise as they relate to CSR.

We invite you to learn more about the OECD Guidelines and the principles of the UN Global Compact, and to make these part of your business culture.



Marie-Gabrielle Ineichen-Fleisch

Director of the State Secretariat for Economic Affairs
Co-President of the NCP Advisory Board



Dr. Ruth E. Blumer Lahner

President of the Global Compact Network Switzerland

Legal notice 2017

Publisher, contact and downloads:

State Secretariat for Economic Affairs SECO
Holzikofenweg 36
3003 Bern
Tel.: +41 (0)58 463 12 75
afin@seco.admin.ch
www.csr.admin.ch and www.seco.admin.ch/ncp

Global Compact Network Switzerland
Hegibachstrasse 47
8032 Zurich
Tel.: +41 (0)44 421 35 42
info@globalcompact.ch
www.globalcompact.ch

Design and layout Publications Department, SECO

Editors: Alice Harbach-Forel, Antonio Hautle, Alex Kunze, Nadja Meier

The texts are based on a publication from respAct
(with the kind permission of respAct)
and have been amended in line with the situation in Switzerland.

2nd edition, revised, January 2018



Table of contents

Foreword	3
What benefits do the OECD Guidelines offer enterprises?	7
Disclosure of information	9
Human rights	11
Employment and industrial relations.	13
The environment	15
Combating bribery, bribe solicitation and extortion	17
Consumer interests	19
Science and technology	21
Competition	23
Taxation.	25
The National Contact Point for the OECD Guidelines	27
Self-test.	28
OECD Guidance on implementing the OECD Guidelines for Multinational Enterprises.	31
The OECD Guidelines as they relate to other international initiatives on responsible business conduct	33

What benefits do the OECD Guidelines offer enterprises?

Companies are increasingly facing demands to do more when it comes to responsible business conduct (corporate social responsibility, CSR)¹ – in both their own interests and also due to rising expectations on the part of stakeholders such as investors, customers and NGOs. The OECD Guidelines for Multinational Enterprises offer a suitable framework for addressing all key activities at enterprises themselves, as well as throughout their value chains (e.g. suppliers) worldwide. The guidelines are meant to further the positive contribution companies make to global economic, environmental and social progress. At the same time, they are designed to support companies with their efforts to generate economic benefits (e.g. through energy conservation and higher worker productivity) and also help them prevent their activities from having a negative impact on society, or else mitigate such negative effects. Companies can use the guidelines as a check list for improving their business conduct, or as an objective international reference guide in their exchanges with stakeholders.

Economic benefits

- Lower energy, operating and insurance costs
- More capable and productive employees (e.g. more extensive innovation, fewer days lost due to illness)
- Better credit terms and access to capital markets
- Better opportunities in bids on projects subject to sustainability requirements
- Better selection of potential business partners (including suppliers) with regard to their sustainability performance (e.g. in terms of working conditions, human rights, the environment)
- Greater ability to identify and respond to changes in political framework conditions at an early stage of their development
- Greater CSR-strategy transparency and credibility
- Reduced risk of reputational damage due to negative media reports

Societal benefits

- Contribution to mitigating social problems (e.g. unemployment)
- Contribution to protecting the natural environment (e.g. improving water and air quality)
- Contribution to improving living conditions, particularly in developing countries
- Dialogue opportunities for stakeholders (e.g. NGOs) to communicate their concerns to enterprises

¹ CSR will generally be equated in this guidance with responsible business conduct, corporate responsibility and corporate sustainability.



IMAGE: DesignOvation GmbH

Bank Cler

Bank Cler (formerly known as Bank Coop) is a Swiss nationwide bank for private customers and SMEs that invests in securities and bonds worldwide within the framework of its asset management activities. The bank operates 32 branches and has approximately 500 employees. The bank reports on its sustainability activities (e.g. expansion of the range of sustainable products, improvements to the environmental compatibility of business operations) within the framework of the internationally recognised guidelines of the Global Reporting Initiative. These guidelines enable the systematic selection of the most important content and indicators (e.g. greenhouse gas emissions, energy consumption, figures on equal opportunity programmes). In this manner, Bank Cler has achieved the highest degree of transparency with regard to its corporate and social responsibility – and the bank has received multiple awards from external organisations in recognition of this accomplishment. In 2016, for example, the independent oekom research rating agency once again designated Bank Cler as having «Prime» status. In addition, the Carbon Disclosure Project has named Bank Coop one of the most progressive companies in Switzerland and one of the best banks in German-speaking Europe with regard to the climate protection measures it implemented in 2017.

Disclosure of information

Enterprises should inform the public about their business activities and the effects these have on the economy, society and the environment. The regular, timely and relevant reporting of information improves an enterprise's transparency and credibility. The disclosure of information also enables an enterprise to gain the trust of its stakeholders (e.g. shareholders, financial institutions, employees, local residents and interest groups) and can make it easier for a company to obtain capital.

What should be done?

Disclose financial information and other information relevant to company law. This type of reporting is already largely regulated by law in Switzerland, especially as it applies to public limited companies. Such reporting includes the disclosure of an enterprise's assets, earnings and other key financial figures; important investments, holdings and voting rights; and information on the remuneration of members of the board of directors and the executive board. Companies are also expected to report on their internal auditing activities, risk management systems and foreseeable risk factors.

Disclose non-financial information. Enterprises should publish the social, environmental and risk-relevant information contained in their codes of conduct. They should also report on the measures they have taken in these areas and publish data on the results obtained with such measures. It is also important to provide information on cooperation between the enterprise and stakeholders (e.g. employees and NGOs) and on CSR measures taken in the value chain (e.g. by sub-contractors, suppliers etc.).

Keep the materiality principle in mind when reporting. The importance of specific types of information varies in line with the size of a company and the business sector in which it operates. For example, the consumption of resources holds greater significance for a manufacturing company than for an office-based service provider. The materiality principle of prioritising importance allows small and medium-sized enterprises to report on sustainability without having to spend much time or money on the reporting process.

Make information easily accessible. Published information should be made available to all users in a simple and convenient manner and at the lowest possible cost – e.g. via modern information channels.

Further information

Global Reporting Initiative
Integrated reporting



Nestlé

Nestlé is one of the largest food and drink companies in the world. One of the ten corporate principles defined by the Nestlé Group in 2010 – «Human rights in our business activities» – is geared towards the implementation of the UN Guiding Principles on Business and Human Rights. Using the UN principles as a basis, Nestlé developed and implemented a programme for due diligence with regard to human rights, with this programme examining the activities of both Nestlé and the companies in its value chain. Since 2011, Nestlé has provided training on human rights topics to more than 72,000 employees in 66 countries and has also identified 43 risks that are now being addressed by the company's risk management system. In addition, Nestlé has conducted independent human rights impact assessments in 12 high-risk countries and established two dispute settlement mechanisms for internal and external stakeholders. Nestlé provides information on the progress it has made in this area, and the challenges that remain, in its «Nestlé in Society» annual report.

Human Rights

Enterprises are expected to respect internationally recognised human rights (especially those recognised by the United Nations) with regard to their activities and those of their business partners (including suppliers). They are also expected to do everything they can to avoid or counteract any negative impacts in this regard. In this manner, they help improve the human rights situation in their home countries and in the other nations where they operate, and they also avoid reputational risks. The OECD Guidelines reflect the second pillar of the UN Guiding Principles on Business and Human Rights («Corporate responsibility to respect human rights»).

What should be done?

Publish a statement of policy of respect for human rights. A declaration to be signed by the executive board should outline the enterprise's human rights policies and practices and the expectations it has of employees and business partners. The principles in this declaration must be reflected in actual business practices and processes. It is recommended that the company inform employees, business partners and other affected parties of its human rights policies and also regularly provide training on human rights principles and issues to its employees.

Prevent human rights violations with due diligence. By performing a human rights due diligence process, companies can identify the actual and potential impact their business activities have on human rights, take measures for respecting human rights and monitor and report on the success of such measures. This continual process can be integrated into the enterprise's risk management system. The due diligence process should be aligned with the size of the enterprise, the type of business it conducts, the business context and the scope of the potential risks to which it is exposed.

Counteract negative effects on human rights. If an enterprise's own business activities or one of its business relationships should lead to human rights violations, then the enterprise should take steps to mitigate such negative effects to the greatest extent possible and implement measures to prevent such violations from occurring again in future. When determining the appropriate course of action to be taken with associated corporate units and business partners, the enterprise should take into account its ability to influence behaviour, the severity of the impact of its actions and the negative effect the termination of the business relationship in question could have on the human rights situation.

Enable remediation. If an enterprise has directly or indirectly participated in human rights violations, it should take part in judicial or extra-judicial grievance mechanisms, or offer an effective compensation process at the company level if it comes to it.

Further information

United Nations Universal Declaration of Human Rights

International Covenant on Civil and Political Rights

International Covenant on Economic, Social and Cultural Rights

UN Global Compact

UN Guidelines on Business and Human Rights

Swiss National Action Plan to Implement the UN Guiding Principles on Business and Human Rights



Swiss Post

With its approximately 60,000 employees, Swiss Post is the third-largest employer in Switzerland. The company's employees come from more than 140 different countries. Swiss Post takes its social responsibility seriously, as evidenced by the fact that it operates one of Switzerland's most extensive training systems, functions as a nationwide basic service provider and has a fair industrial relations (social partnership) scheme in place. Swiss Post also practises corporate social responsibility outside of Switzerland. For example, it conducts reviews of the working practices and environmental performance of all clothing suppliers in cooperation with the ILO Better Work programme and the Fair Wear Foundation. An example involving a supplier in eastern Europe clearly illustrates the steps that need to be taken in order to ensure workers' rights are respected: First, Swiss Post had to convince the supplier and its client that an audit was necessary. The supplier then finally provided the information needed for the audit. Among other things, for the first time the supplier disclosed the wages it paid to its workers. Using this information as a basis, Swiss Post and the supplier drew up a development plan and defined measures for making improvements. A long-term contract with Swiss Post enabled the supplier to optimise its capacity utilisation. This commitment on the part of Swiss Post also led the supplier to increase the wages it paid to its seamstresses, who now make 30% more than the legal minimum wage on average.

Employment and industrial relations

Enterprises should establish the best possible working conditions by complying with applicable laws, maintaining good relationships with labour (e.g. industrial relations) and adhering to international labour standards, in particular those of the International Labour Organization. It is particularly important here to eliminate discrimination, safeguard the rights of trade unions, work constructively with labour and trade unions, and abolish child and forced labour. By doing this, companies contribute to economic growth and the creation of high-quality jobs in both their home and host countries.

What should be done?

Prevent discrimination of employees. Everyone should be offered the same opportunities and no one should be put at a disadvantage because of their ethnic origin, their social background, the colour of their skin, their sex, religion, political views or any other reason (e.g. age, disability, marital status, sexual orientation). This applies to aspects such as wages, promotions and access to further education and training.

Work constructively with labour and trade unions. It is recommended that enterprises meet regularly with unions and other labour representatives in order to jointly develop generally applicable collective employment agreements, for example. Among other things, companies should provide labour representatives with information on their business and financial situation, and with development and employment forecasts. If an enterprise is considering staff dismissals, it should work together with labour representatives and possibly even responsible government authorities in order to mitigate negative effects. Enterprises that operate in countries where the right to organise is not guaranteed should try to develop measures that enable the implementation of the recommendations contained in the OECD Guidelines.

Help abolish child and forced labour. To this end, companies should immediately implement effective measures for ensuring compliance with the ban on the worst forms of child labour. Company sites and supplier firms that operate in a critical environment should receive support for measures to prevent child and forced labour.

Employ workers available in a country and provide them with training as well. Enterprises should employ workers available in a country to the greatest extent possible and also provide training to help employees improve their qualifications. Here, they should work together with labour representatives and possibly the responsible government authorities as well.

Further information

Core Conventions on Fundamental Principles and Rights at Work of the International Labour Organization (ILO)

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO

UN Global Compact



Geberit

This international manufacturer of sanitary and piping systems has been setting standards for sustainability for more than 25 years now. The basis for this success is an ambitious sustainability strategy that defines specific measures and objectives, as well as extensive reporting in accordance with the G4 guidelines of the Global Reporting Initiative. During the product development stage, Geberit holds eco-design workshops that help ensure products conserve water and energy and are ecologically sound. Lifecycle assessments are systematically produced for selected products and the results are made available to customers in the form of environmental declarations. Geberit's manufacturing facilities are environmentally friendly, energy and resource efficient, and safe. The company's sustainability-related activities have led to an increase in ecological efficiency of 5% per year. These activities have also resulted in an ambitious CO₂ strategy and the certification of all Geberit plants in accordance with the ISO 14001 standard. All of this underscores the importance Geberit attaches to the environment and the improvement of the company's environmental performance.

The environment

Responsible environmental management aims to continuously improve an enterprise's impact on the environment. This includes the operation of an internal environmental management system tailored to the company and its requirements, the implementation of lifecycle analyses for processes and products and contingency planning for preventing damage to the environment. Companies that improve their environmental performance lower their energy, operating and insurance costs, may obtain capital more easily and improve their reputations.

What should be done?

Use environmental management systems. Certifications for environmental performance and energy efficiency, such as ISO 14001 and 50001, enable the systematic collection of information on the impact an enterprise's activities have on the environment, health and safety. Measurable targets can then be defined and progress regularly monitored. An efficient environmental management system provides the internal framework for incorporating environmental targets into a company's strategy.

Analyse the lifecycles of processes, products and services. Enterprises should estimate the impact their processes, products and services have on the environment over their entire lifecycle in order to determine their own environmental compatibility. The knowledge thus gained should be taken into account in decision-making processes so that negative effects can be reduced or avoided altogether. If possible, enterprises should seek to introduce emission-free processes with closed energy and material cycles.

Prevent negative environmental impacts and improve environmental performance. Companies should seek to reduce or prevent damage to health and the environment caused in any manner by their business activities. However, preventive measures do not eliminate the need for contingency plans. Advanced technologies and processes should be introduced in order to improve environmental performance, and efficient products should be developed throughout the entire enterprise (and the value chain) in order to conserve energy and natural resources. In addition, possibilities for achieving long-term improvements to the company's environmental performance should be examined (e.g. substitution or reduction of toxic substances).

Make the public and employees more aware of the enterprise's environmental impact. To this end, relevant information should regularly be provided on the impact products and services have on the environment, and the relationships that exist between the enterprise and its subcontractors and suppliers. Precise information can be prepared, among other ways, by consulting with various stakeholder groups and utilising labelling and certification systems. Employees should receive regular training on environmental topics (e.g. handling hazardous substances, environmental auditing methods, environmental technologies).

Further information

Rio Declaration on Environment and Development (including Agenda 21)

Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention)

UN Global Compact

ISO 14001 (environmental management)

Carbon Disclosure Project.



Compliance Roundtable

The members of the Compliance Roundtable, which is an initiative launched by Siemens Schweiz AG, include representatives of the Swiss Federal Administration (SECO and FDFA) and various representatives from Swiss companies (some of whom work in compliance departments), the University of Lucerne, the Chur University of Applied Sciences, and Transparency International. The roundtable enables an exchange of information on compliance topics and the identification of best practices. It assists SMEs with compliance issues and initiates and implements joint activities (so-called collective actions). To this end, the roundtable members and business associations have conducted workshops for SMEs and developed compliance curricula for management courses that are utilised by the universities.

Combating bribery, bribe solicitation and extortion

Corruption has an extremely harmful effect on democratic institutions, lawful processes, good corporate governance, investments and international competition. Enterprises can play a key role in combating corruption by introducing internal control mechanisms to prevent and expose it. It is also particularly important to publish management-supported policies for fighting corruption and to provide training to employees.

What should be done?

Introduce an internal control system and ethics and compliance programmes. These will help ensure that the enterprise can prevent and expose bribery and the granting of other unethical favours. The associated measures should be based on the latest assessment of the corruption risks the company faces (e.g. in terms of its business sector, location). The internal control system should include proper and precise management of books and accounts and the documentation of all relevant incidents. In accordance with the OECD Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions from 2009, companies should be encouraged to prohibit even minor bribery payments (so-called small facilitation payments).

Make employees more aware of the situation. Enterprises should implement a clear policy for fighting corruption. Executive management must act in line with this policy, demand that all employees do the same, and support the policy at all levels of the company. Employees should receive regular training on the principles of this corporate policy and on how to deal with bribery, and offenders must be punished when instances of bribery occur.

Create transparency. It should be public knowledge and plain to everyone that a company rejects all forms of corruption and will take appropriate measures to prevent and punish it. Companies should maintain a dialogue with the public in order to promote greater awareness of the problem and generate more extensive support for efforts to combat corruption.

Take advantage of initiatives launched by civil society, including the private sector. Such initiatives help enterprises develop and implement effective measures for combating corruption. Collective actions by companies against corruption can also act as a deterrent.

Further information

OECD Recommendation for Further Combating Bribery of Foreign Public Officials in International Business Transactions from 2009, Annex II (Good Practice Guidance on Internal Controls, Ethics and Compliance)

Transparency International Switzerland

Transparency International Guideline on Employee Anti-Corruption Training

Anti-Corruption Clause of the International Chamber of Commerce (ICC)

Activities of the Swiss Federal Government and international anti-corruption standards and initiatives

UN Global Compact



Rivella

Rivella – a medium-sized international beverage manufacturer – has a code of conduct in place that clearly defines corporate policies on socially and environmentally relevant issues. In this code of conduct, the company expresses its commitment to providing consumers with transparent information on the nutritional value and ingredients of its products and to participating in the social dialogue on nutrition. Rivella joined the voluntary SwissPledge association in 2015. As a member of this group, Rivella does not direct product advertising towards children under the age of 12. In addition, the company has worked with the Swiss Nutrition Society to develop teaching materials for the Kiknet.ch teacher platform that describe and inform customers about the ingredients and consumption of drinks. Rivella has also continually supported sports and social events since its establishment. In this manner, the company motivates children, teenagers and families especially to get out and exercise and adopt a healthy lifestyle. Rivella collects most of its information on customer concerns and complaints at its website and treats all of this feedback seriously.

Consumer interests

An increasing range of products and complex markets are making it more difficult for consumers to compare products and services, and make informed purchasing decisions that promote sustainability. Enterprises should therefore adopt fair business and marketing practices and guarantee the safety and quality of their products and services. Companies should also provide clear product information, promote sustainable consumption and take customer concerns seriously. Indeed, customer satisfaction is a key foundation for successful business operations.

What should be done?

Make available correct, clear and verifiable information on products and services. Among other things, this information should include aspects such as prices, content, risks, environmental properties, maintenance and storage and disposal options. Enterprises should also provide easily accessible and comprehensible information on corporate policy, particularly as it relates to socially and environmentally relevant issues.

Apply fair business practices. Companies should not make use of deceptive and misleading presentations and practices. Among other things, this also means cooperating with responsible authorities in efforts to prevent and combat misleading marketing practices and to reduce or eliminate serious threats to public health, safety and the environment caused by certain products. Enterprises should also take steps to protect the privacy of their customers and ensure the security of their personal data.

Take into account the needs of vulnerable and disadvantaged customers and the challenges associated with electronic business transactions. Business and marketing practices must take into account the needs of customers with special personal characteristics or circumstances – in particular the very young or old, individuals with limited mental or physical abilities or low levels of education and income, and individuals with a foreign (language) background. In addition, customers should enjoy the same transparent and effective protection in electronic transactions as they do in traditional retail trade.

Take customers' questions and complaints seriously. Enterprises should offer customers an easy way to submit questions and complaints relating to products and services (e.g. via a website). Handling issues seriously and rapidly improves customer satisfaction. Companies should therefore also have fair, user-friendly, rapid and effective procedures for settling disputes in place.

Further information

United Nations Guidelines for Consumer Protection

International Chamber of Commerce on Marketing and Advertising

Swiss Federal Consumer Affairs Bureau

Swiss Consumer Forum (kf)

Swiss Consumer Protection Foundation

Fédération romande des consommateurs



Bühler Management AG

Bühler is a globally operating family business whose strategies are developed «in its regions, for its regions». Bühler, which offers industrial solutions for the food and animal feed industries, as well as the automotive sector, generates revenue of CHF 2.5 billion with a total of 11,000 employees. The company also has a strong presence in China. Bühler has developed a new and promising application that uses the company's extrusion technology to improve the battery production process in the fast-growing electromobility sector. The successful launch of this new process was made possible by close cooperation between the company's engineers and the R&D departments at Bühler in Uzwil and in China. Bühler also invested in a new battery laboratory at its facility in Wuxi two years ago in order to establish its knowledge and personnel base. This laboratory now plays a key role in the implementation of test runs and the acquisition of new Chinese customers. Last year, Bühler signed an agreement with the battery manufacturer Lishen that provides for the construction of the first production line to utilise the new process from Bühler.

Science and technology

In order to promote technological, economic and social development in emerging markets and developing countries, multinational enterprises should design all their activities in a manner that ensures they are in conformity with the science and technology policies in their host countries. Such companies should also actively support the transfer of knowledge and technology, as this will lead to further technological progress and greater local innovation in host countries, which in turn can generate new sales opportunities.

What should be done?

Transfer knowledge and technology within host countries. Enterprises can, for example, conduct research and development activities in their host countries and in this manner strengthen the innovative capability of their subsidiaries and subcontractors. They can also hire and train local scientific / technical staff.

Make the results of research and development work accessible. Enterprises should cooperate with local universities and public research institutes on research and development projects. They can also participate in joint research projects with local companies or industry associations. Companies should first check to make sure such activities offer economic benefits, promote competition and do not jeopardize intellectual property in any way.

Award licenses under fair terms. When awarding licenses for the use of intellectual property rights or for other forms of technology transfer, offer reasonable and fair conditions that promote the long-term sustainable development of the host country.

Further information

Project with Swiss Fresh Water AG
involving a desalination system in Senegal



Meyer Burger Technology AG

Meyer Burger is a globally operating company that offers innovative photovoltaic, semiconductor and optoelectronics technologies and employs approximately 1,500 people. As a supplier of facilities for manufacturing high-quality solar modules (e.g. for government-funded solar parks), Meyer Burger faces global competition when bidding on projects. The company's employees receive regular training on the topic of bid-rigging cartels in order to prevent the type of collusion that would lead to punitive action by government authorities. In addition, contracts with strategically important technology partners are carefully audited in detail before they are signed. The purpose of this audit, which is conducted in accordance with an internally defined process, is to determine whether the contracts contain any anti-competitive clauses on exclusivity or access to R&D results, for example. The regular monitoring of compliance with antitrust regulations is just as important to Meyer Burger as its conviction that high-quality precision products and innovative technologies strengthen a company's competitiveness.

Competition

Competition policy contributes to the general welfare of society and to economic growth by promoting conditions to ensure that the market itself determines the type, quality and price of the products and services offered on it. A functioning system of competition makes it possible for companies to meet consumer demand in an efficient manner. In order to enable competition, companies should comply with the provisions and regulations of competition law and cooperate with competition authorities.

What should be done?

Comply with the provisions and regulations of competition law both at home and abroad. Enterprises should not participate in anti-competitive business practices such as the conclusion of secret agreements (e.g. on prices and bids), the formation of cartels and similar illegal activities. They must also refrain from entering into anti-competitive mergers or acquisitions. It is important that employees are also made aware of the importance of all regulations in this regard, and that they act accordingly.

Cooperate with competition authorities. If an enquiry is made by a competition authority, a company should quickly provide information in as much detail as possible and cooperate efficiently with the authority.

Further information

OECD Council Recommendations (e.g. Concerning Effective Action against Hard Core Cartels; Concerning International Cooperation on Competition Investigations; and Concerning Merger Review Procedures)

International Competition Network

Swiss Competition Commission (COMCO)



Arm's length principle and Base Erosion and Profit Shifting (BEPS)

The arm's length principle is one of the components of the OECD's Model Tax Convention on Income and on Capital, and the United Nations' Model Double Taxation Convention between Developed and Developing Countries. The OECD's Committee on Fiscal Affairs continually develops recommendations meant to ensure that transfer prices reflect the arm's length principle. To this end, the OECD published its Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in 1995. As part of the OECD/G20 BEPS Project, measures have been developed that are designed, among other things, to clarify and strengthen existing transfer pricing standards, including the guidance on the arm's length principle. On 23 May 2016, the OECD Council issued a recommendation on the implementation of the specific changes to the transfer pricing guidelines resulting from the BEPS measures. This recommendation allows OECD member states and non-members to implement the changes directly and immediately.

Taxation

Enterprises should lawfully pay taxes at home and as part of their business activities abroad. By doing so, they contribute to public finances and to the development of their host countries – and also avoid financial, supervisory and reputational risks.

What should be done?

Pay taxes properly both at home and abroad. Enterprises that act responsibly are expected to pay their taxes on time and in line with the intentions of the legislatures that established the tax laws. This also includes acting in accordance with the arm's length principle when setting transfer prices between affiliated companies.

Cooperate with tax authorities. Enterprises should provide local tax authorities with up-to-date, relevant and legally required information in order to enable accurate tax assessments. As stipulated by tax laws and agreements, companies should provide rapid and complete responses to enquiries by tax authorities.

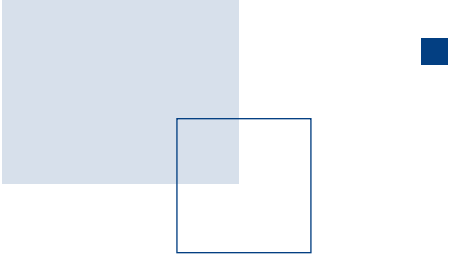
Manage taxes. A company's board of directors should view compliance with tax regulations as an important aspect of corporate strategy and the oversight and risk management system. The board of directors should therefore also define tax policy principles and establish an internal tax monitoring system. Responsibilities should be clearly defined with regard to the execution of internal control functions and the procedures for reporting to the board of directors on all potentially significant tax risks. This will make it possible to identify and assess all the financial, supervisory and reputational risks the company faces in this regard.

Further information

OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations

Recommendation of the Council on Base Erosion and Profit Shifting Measures Related to Transfer Pricing

Swiss Code of Conduct for Tax Authorities, Taxpayers and Tax Advisors



The National Contact Point for the OECD Guidelines

The signatory states to the OECD Guidelines for Multinational Enterprises are required to establish a National Contact Point (NCP) for the guidelines. The organisational structure and responsibilities of the Swiss NCP are defined by a Federal Council ordinance. The Swiss NCP Secretariat is located in the State Secretariat for Economic Affairs, SECO. The NCP creates a special internal working group to address each specific instance it receives, with the groups consisting of representatives of the federal administration bodies. An advisory board supports the NCP with its strategic approach and the application of the OECD Guidelines. This board is made up of the Director of SECO and three other members of the federal administration, as well as two representatives each from employer associations, trade unions, business associations, NGOs and academia.

The NCP is responsible primarily for the following tasks:

- Raise awareness of and promoting the OECD Guidelines and their implementation
- Answering questions about the OECD Guidelines
- Making a dialogue platform available and implementing mediation procedures in the event of submissions
- Cooperation and exchanges with other NCPs

Procedures carried out by the National Contact Points

Any individual or interest group can report violations of the OECD Guidelines by a multinational enterprise. The complaint should be submitted to the NCP in the country where the violation took place. If the country in question is not a signatory to the guidelines, then the submission should be submitted to the NCP of the country where the multinational enterprise has its headquarters. As part of its preliminary examination, the NCP collects the facts surrounding the case (substantive content of the complaint, justification, relevance) as well as information on the parties involved (identity, interest in the complaint) and decides whether a connection exists with the OECD Guidelines. If such is the case, the NCP offers the parties a dialogue platform or a mediation procedure in order to help resolve the conflict. The mediation process is confidential. However, the results of the process are published in a final report.

Further information on the OECD Guidelines and the NCP:

State Secretariat for Economic Affairs SECO
National Contact Point in Switzerland
Holzikofenweg 36, 3003 Bern
Tel.: +41 (0)58 463 12 75
Email: afin@seco.admin.ch
www.seco.admin.ch/ncp

Self-test

The following self-test allows you to determine the extent to which your company has already implemented the most important recommendations from the OECD Guidelines for Multinational Enterprises. It can be used for an initial assessment of the strengths and weaknesses of your company in terms of responsible business conduct. More specifically, the self-test focuses on measures that go beyond corresponding legal requirements. The results of the self-test cannot, however, be used as a comprehensive assessment of the implementation of the OECD Guidelines. Instead, they help you isolate important aspects to facilitate your ability to effectively address the issue of responsible business conduct at your company. Please mark with a cross the response that applies to your company (Yes/No/Not applicable).

YES NO NOT APPLICABLE	
Disclosure of information	
<input type="checkbox"/>	The enterprise's code of conduct and/or information on responsible business conduct have been made public.
<input type="checkbox"/>	The enterprise regularly publishes socially and environmentally relevant information that goes beyond what is legally required (e.g. on environmental data, employee satisfaction, the social impact of business activities) – in the form of a sustainability report, for example.
Human rights	
<input type="checkbox"/>	The enterprise's guideline, code of conduct or statement of policy also addresses the topic of human rights.
<input type="checkbox"/>	The company is aware of the possible negative impact its own business activities and those of its business partners and suppliers might have on human rights.
<input type="checkbox"/>	An easily reachable and accessible central point of contact is available to employees and other stakeholders who wish to report possible human rights violations by the company and/or its suppliers.
Employment and industrial relations	
<input type="checkbox"/>	Measures have been implemented that ensure equal treatment and opportunities for all employees regardless of their ethnic origin, their social background, the colour of their skin, their sex, religion, political views, sexual orientation, age, marital status or disability.
<input type="checkbox"/>	The enterprise conducts discussions with employee representatives, especially as regards collective bargaining agreements and staff dismissals.
<input type="checkbox"/>	The company works together with suppliers and business partners (especially abroad) in order to promote compliance with working standards (e.g. abolition of child and forced labour).

The environment

- The enterprise has taken structured, sector-specific measures to avoid potential negative environmental impacts (e.g. introduction of an environmental management system).
- Contingency plans exist for dealing with possible accidents that could have a negative impact on the environment.
- The enterprise is aware of the environmental impact of its products and services in terms of everything from natural resource procurement to consumer use and final disposal.

Fighting corruption

- Employees and external stakeholders have been informed that the enterprise does not pay out or accept bribes or use other methods to grant or obtain unwarranted advantages.
- The enterprise has an internal control system and ethics and compliance programmes to help prevent and expose corruption.
- Employees receive training on corruption topics.

Consumer interests

- The enterprise has a central point of contact for customer questions and complaints, all of which are dealt with quickly and in an uncomplicated manner.
- The product information provided by the company goes beyond legal requirements (i.e. it includes details on the manufacturing process and the product's environmental impact, as well as disposal instructions).
- The enterprise has taken steps to ensure the protection of customers' personal data and privacy.

Science and technology

- When doing business in developing countries and emerging markets, the enterprise contributes to the transfer of knowledge and technology (e.g. by training local staff).
- The company publicises the results of its research and development work with local universities and public research institutes in its host countries, where it also promotes the development of innovative capability.

Competition

- The enterprise's policy with regard to fair competition is public knowledge.
- Employees have been informed of the company's policies on price fixing, correct product descriptions and relations with competitors.

Taxation

- The enterprise lawfully pays its taxes not just in its home country but also in all of its host countries abroad.
- Compliance with tax regulations is viewed as an important aspect of corporate strategy and the oversight and risk management system, which is why the company also has an internal tax monitoring system in place.

Assessment

Add up the number of statements that you responded to with «Yes»:

If you responded to more than half of the statements with **«Yes»** (after removing «Not applicable» responses from the total), then you are well on your way to aligning your business activities with the OECD Guidelines. You are aware that responsible business conduct produces a benefit for both the company (e.g. through more productive employees or risk minimisation) and society. If you wish to make improvements in the negatively assessed issue areas, or simply develop further in a positive manner, you can use the sources of additional information listed in the various sections of this guidance.

If you responded to the majority of the statements with **«No»** then you have succeeded in implementing some measures but have yet to strategically and systematically establish the issue of corporate social responsibility firmly within your company and supply chain. Take a close look at the enterprise's core business first and identify the areas that have the most significant social and environmental impact. Here you can use international CSR instruments – in particular the OECD Guidelines and the ten principles of the UN Global Compact. You can also use the sources of additional information listed in this guidance in order to make it easier to address the challenges in your company and gradually develop a comprehensive CSR strategy.

Further reading

Gesellschaftliche Verantwortung der Unternehmen – Positionspapier und Aktionsplan des Bundesrates zur Verantwortung der Unternehmen für Gesellschaft und Umwelt

(Position Paper and Action Plan of the Federal Council on Corporate Responsibility for Society and the Environment), Bern 2015

Guide to Corporate Sustainability, UN Global Compact, New York 2014

Corporate Social Responsibility aus Sicht der Unternehmen (Corporate Responsibility from the Enterprise Perspective), economiesuisse and Swissholdings, Zurich 2015

Kompass Nachhaltigkeit (Sustainability Compass), öbu, Zurich 2017

Management der sozialen Verantwortung in Unternehmen – Leitfaden zur Umsetzung (Managing Social Responsibility in an Enterprise – Implementation Guide), Winistörfer et al., Hanser Fachbuchverlag, Munich 2012

Corporate Social Responsibility: Impulse für kleine und mittlere Unternehmen CSR: (Tips for SMEs), Christen, von Passavant, Huber Verlag, Frauenfeld 2009

Leitfaden zum Deutschen Nachhaltigkeitskodex (Guide to the German Sustainability Code), Bertelsmann Stiftung, Gütersloh 2014

OECD Guidance on Implementing the OECD Guidelines for Multinational Enterprises

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

This guidance is aimed at enterprises in the raw materials industry that operate in conflict-affected and high-risk areas. It helps these enterprises carry out their due diligence for the supply chain and identify risks in order to prevent their activities from indirectly supporting conflicts or contributing to human rights abuses. The guidance contains two supplements on the specific challenges involved in mining and trading in tin, tantalum, tungsten and gold.

OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector

This guidance helps mining, oil and gas enterprises take stakeholder interests into account (e.g. local communities, employees, artisanal miners) within the framework of their corporate due diligence. Its aim is for enterprises to contribute to social and economic development by developing a strategy that involves stakeholders (especially those most affected) in planning and undertaking business activities. The guidance provides practical advice on identifying and dealing with risks to avoid adversely affecting stakeholders.

OECD-FAO Guidance for Responsible Agricultural Supply Chains

The guidance published by the OECD in conjunction with the Food and Agriculture Organization of the United Nations is aimed at enterprises that operate along the international supply chain for agricultural products. It contains recommendations for a corporate policy that takes into account the international standards relevant to a responsible agricultural supply chain. The guidance also includes advice on developing a risk-based due diligence process to reduce the greatest risks and involve local communities.

OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

This guidance contains recommendations for enterprises in the garment and footwear sector on implementing due diligence in terms of their activities and individual supply chains. It contains guidance on devising a responsible corporate policy, developing a risk-based due diligence process and associated communication measures, and ensuring access to remediation if the enterprise's activities have negative consequences.

Other OECD Tools

Other OECD activities relate to implementation tools for responsible business conduct in the finance sector (including institutional investors) and guidance with general recommendations on due diligence in the value chain for all sectors.

Further information

OECD due diligence instruments:
<http://mneguidelines.oecd.org/sectors/>



The OECD Guidelines as they relate to other international initiatives on responsible business conduct

International instruments and initiatives for corporate social responsibility (CSR) are becoming more and more important. Along with the OECD Guidelines, such instruments and initiatives include the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ISO 26000 standard and the Global Reporting Initiative. All of these are designed to promote the goal of ensuring responsible business activities, but they differ in terms of their scope and focus and the outlay involved in their implementation.

The OECD Guidelines for Multinational Enterprises represent comprehensive recommendations for responsible business conduct provided by governments to multinational enterprises. These recommendations may go beyond what is legally required, and to support the efforts of multinational enterprises in meeting the expectations of the societies in which they operate. They also provide a framework for risk management and communication with stakeholders. Although the guidelines are not legally binding, their implementation is supported by National Contact Points (NCPs) in signatory states. The NCPs offer a dialogue platform or a mediation procedure in situations where a suspected violation of the OECD Guidelines is suspected.

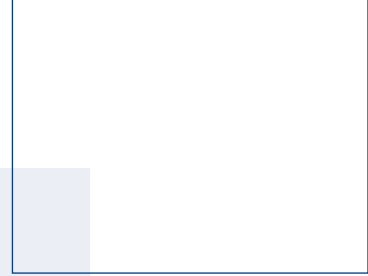
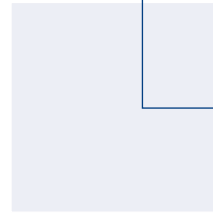
The UN Global Compact with its ten universal principles on human rights, working standards, the environment and fighting corruption can help enterprises launch CSR policies. In addition, they can serve as a basis for long-term networking and learning platforms. With more than 10,000 participating enterprises and organisations, the Global Compact is the biggest network for responsible business conduct in the world today. The Global Compact is a multi-stakeholder platform whose primary goal is to facilitate dialogue between the individual interest groups working together to implement the principles. Participating enterprises are obliged to publish a report on the progress they have made in implementing the principles each year.

The UN Guiding Principles on Business and Human Rights are based on three pillars:

(i) The obligation of countries to protect human rights, (ii) The obligation of enterprises to respect human rights and (iii) Access to remedy. The second pillar is based on fundamental and operating principles that show enterprises how they can ensure that human rights are respected. The guiding principles can be used in all countries and enterprises, but do not constitute obligations under international law.

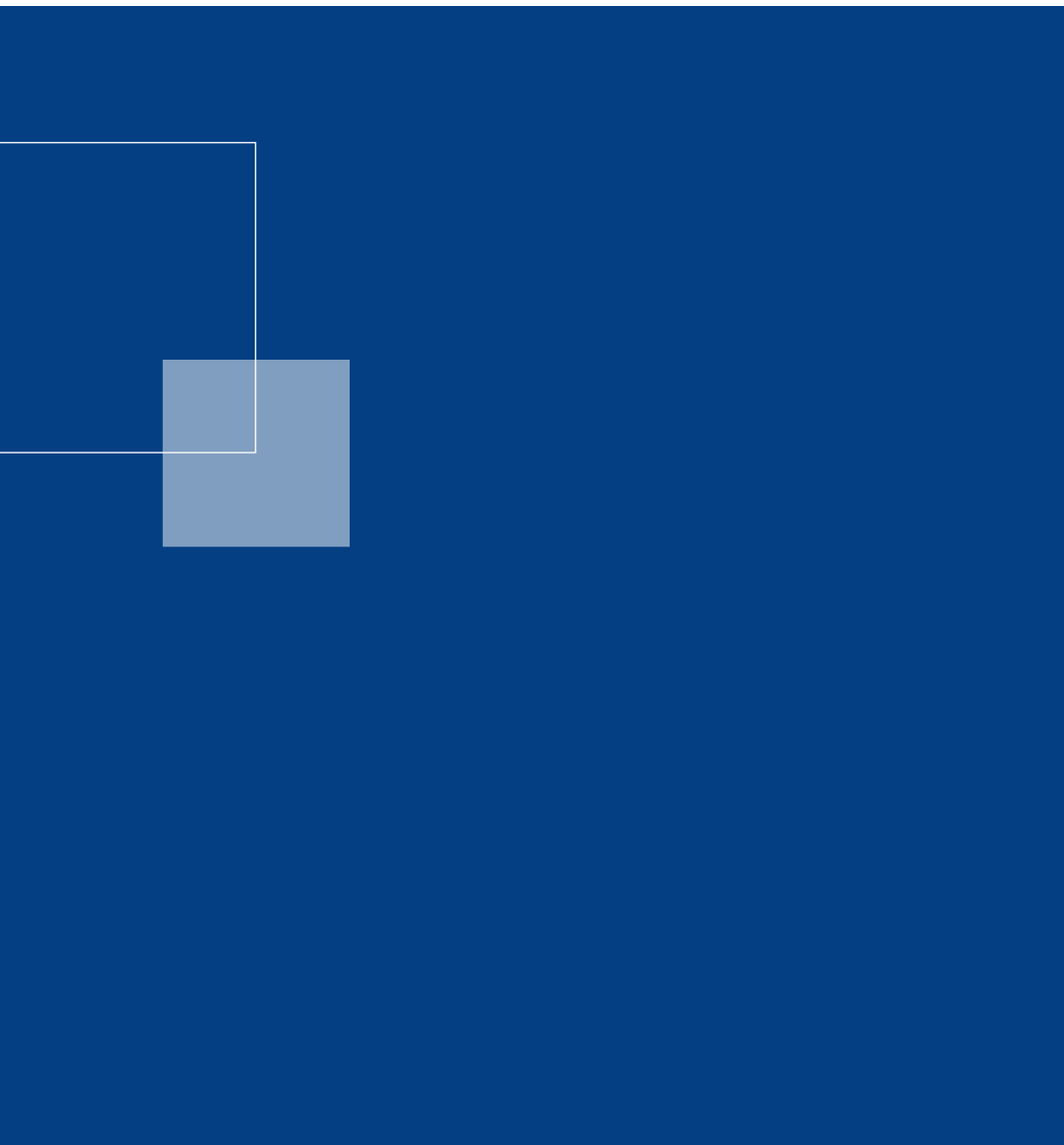
The ISO 26000 standard is an international guideline for social responsibility that is based on a broad consensus between industrial and developing countries, enterprises and worker, consumer and non-governmental organisations. It helps enterprises and organisations adopt a strategic approach to their business processes in line with principles of responsible business conduct. Although ISO 26000 provides a comprehensive take on social responsibility, it is not certifiable like other ISO standards.

The Global Reporting Initiative (GRI) provides a globally applicable framework for drawing up sustainability reports in accordance with internationally recognised criteria. The reporting framework covers principles and indicators for enterprises and other organisations to measure their economic, environmental and social performance. At the same time, a report oriented towards the GRI also provides interest groups with a transparent representation of the relevant sustainability aspects of an enterprise.




	<i>OECD Guidelines for Multinational Enterprises</i>	<i>UN Global Compact</i>
<i>Contents</i>	Recommendations for responsible business conduct	Code of conduct and multi-stakeholder platform
<i>Target group</i>	Multinational enterprises in the OECD member states and approximately 12 other countries	Enterprises and other organisations
<i>Topics</i>	Information disclosure, human rights, labour relations, the environment, fighting corruption, consumer interests, science and technology, competition and taxation.	10 principles in 4 main areas: Human rights, working standards, the environment, fighting corruption
<i>Commitment</i>	Signatory states are required to establish a National Contact Point that promotes the implementation of the guidelines and addresses reports of alleged violations.	Not legally binding; annual public progress report for participating companies
<i>Publisher:</i>	Organisation for Economic Cooperation and Development	United Nations
<i>Contact</i>	State Secretariat for Economic Affairs SECO National Contact Point in Switzerland Holzikofenweg 36, 3003 Bern Tel.: +41 (0)58 463 12 75 Email: afin@seco.admin.ch	Global Compact Network Switzerland Hegibachstrasse 47, 8032 Zurich Tel.: +41 (0)44 421 35 42 Email: info@globalcompact.ch
<i>Further information</i>	http://mneguidelines.oecd.org	www.unglobalcompact.org www.globalcompact.ch

<i>UN Guiding Principles on Business and Human Rights</i>	<i>ISO 26000 – Social Responsibility</i>	<i>Global Reporting Initiative</i>
Guiding principles for respecting human rights	Guiding principles for social responsibility at organisations	Guiding principles for sustainability reporting
Enterprises	Organisations of all types	Enterprises and other organisations (depending on the importance of a topic)
Human rights	Organisation management, human rights, working practices, the environment, fair corporate and business practices, consumer affairs, involvement and development of local communities	Comprehensive framework for sustainability reporting (e.g. human rights, working standards, the environment, corporate governance)
Not legally binding	Not legally binding and not certifiable	Not legally binding
United Nations	International Organization for Standardization	Global Reporting Initiative
State Secretariat for Economic Affairs SECO International Labour Affairs Holzikofenweg 36, 3003 Bern Tel.: +41 (0)58 462 28 65 Federal Department of Foreign Affairs, Human Security Bundesgasse 32, 3003 Bern Tel.: + 41 (0)58 462 30 50 Email: ams@eda.admin.ch	Swiss Association for Standardisation Bürglistrasse 29 8400 Winterthur Tel.: +41 (0)52 224 54 54 Email: info@snv.ch	Global Reporting Initiative PO Box 10039 1001 EA Amsterdam The Netherlands Tel.: +31 (0) 20 531 00 00 Email: info@globalreporting.org
www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf	http://www.iso.org/iso/home/standards/iso26000.htm	www.globalreporting.org



This guidance is available for free downloading at www.csr.admin.ch, www.seco.admin.ch/ncp and www.globalcompact.ch

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO

 **Global Compact**
Network Switzerland