

OECD Due Diligence Guidance for Responsible Business Conduct

Businesses can play an important role in contributing to economic, environmental and social progress, but to do so they must also ensure that they manage negative impacts associated with their activities. Due diligence is a process business can carry out to identify and respond to real and potential negative impacts related to their own operations as well as throughout their supply chains.

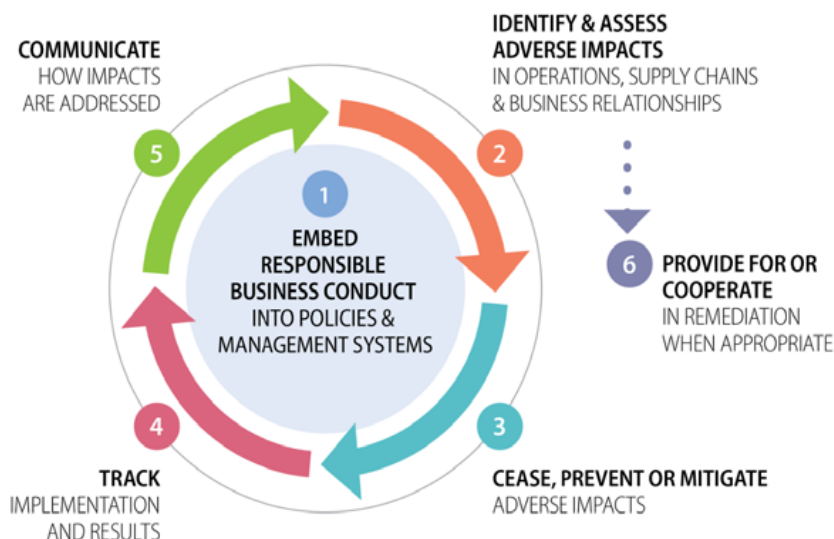
The OECD Due Diligence Guidance for Responsible Business Conduct, adopted in 2018, provides support to enterprises by providing practical, clear explanations of how to implement due diligence as recommended in the OECD Guidelines for Multinational Enterprises. It is the first government backed reference on due diligence which is relevant for all types of companies operating in all countries and sectors of the economy.

This Guidance represents a common understanding among governments and stakeholders on due diligence for responsible business conduct and can also be used by businesses to respond to due diligence expectations of the UN Guiding Principles on Business and Human Rights and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. It was developed through a multi-stakeholder process including representatives from OECD and non-OECD countries, international organisations, business, trade unions and civil society.

“ *The business community has a responsibility to conduct business in a way that takes into account both the bottom line and the impact of their activities on society. The guidance is a major milestone in ensuring that governments and business can work together to drive more inclusive and sustainable growth across the world through more responsible business conduct and due diligence across supply chains.* ”

Angel Gurría, OECD Secretary-General

DUE DILIGENCE PROCESS & SUPPORTING MEASURES



DUE DILIGENCE FOR RBC :



Involves multiple processes and objectives



Concerns internationally recognised standards on RBC



Is risk-based



Seeks to prevent negative impacts



Does not shift responsibilities



Is tailored to an enterprise's circumstances



Can be adapted to the limitations of working with business relationships



Is dynamic, ongoing and responsive

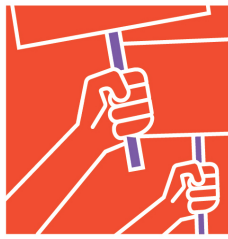


Involves ongoing communication



Is informed by engagement with stakeholders

Due diligence aims to address adverse impacts related to the following chapters of the OECD Guidelines for Multinational Enterprises:



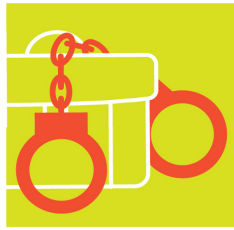
Human Rights



Environment



Employment and Industrial Relations



Combating Bribery, Bribe Solicitation and Extortion



Consumer Interests



Disclosure

The OECD Guidelines aim to ensure an open and transparent international investment environment and to encourage the positive contribution of multinational enterprises to economic and social progress. They are the most comprehensive set of government-backed recommendations on what constitutes responsible business conduct. The governments that adhere to the OECD Guidelines represent some of the world's leading economies and recommend that enterprises operating in or from their territories observe the principles and standards set out in the OECD Guidelines.

Sector due diligence guidance

This Guidance complements existing resources developed by the OECD to help enterprises carry out due diligence for responsible business conduct in specific sectors and supply chains including in the agriculture, minerals & extractive, garment & footwear and financial sectors :



mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm