



An Roinn Fiontar,
Trádála agus Fostaíochta
Department of Enterprise,
Trade and Employment

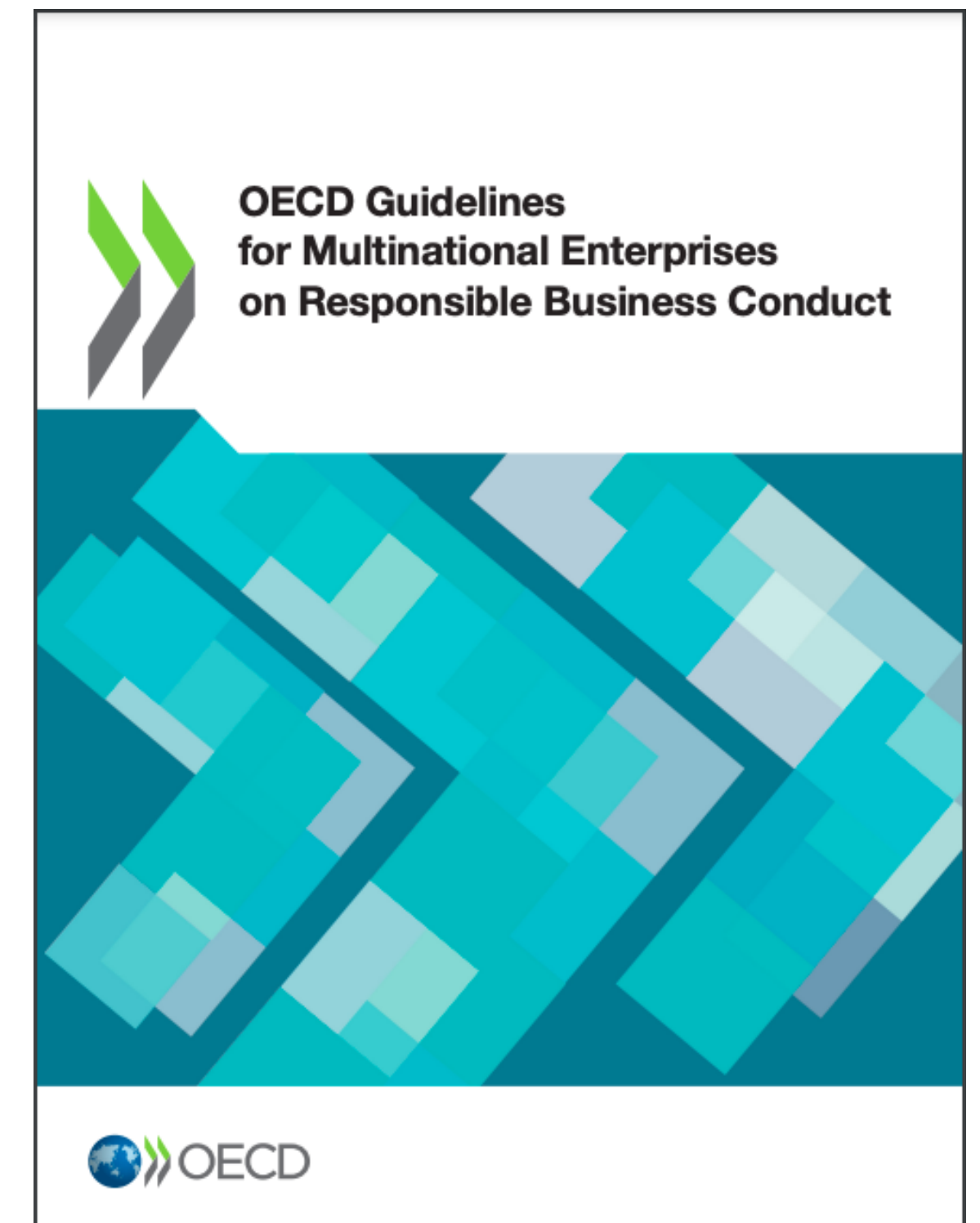
OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - Environment

Ireland National Contact Point
6 November 2024

Background



- The 2023 Guidelines are recommendations addressed by governments to multinational enterprises, with the aim to promote positive contributions by enterprises to economic, environmental and social progress
- Guidelines provide principles and standards for good practice in responsible business conduct consistent with applicable laws and internationally recognised standards
- Guidelines are supported by OECD commentary on their alignment with international standards, instruments, agreements, declarations – United Nations, ILO, ISO Standards, OECD Declarations and Recommendations
- Guidelines are voluntary for enterprises, however, adhering countries are bound to implement them



Structure of the Guidelines



The OECD Guidelines are structured in two parts:

Part I defines standards for responsible business conduct in the areas highlighted in the boxes to the right

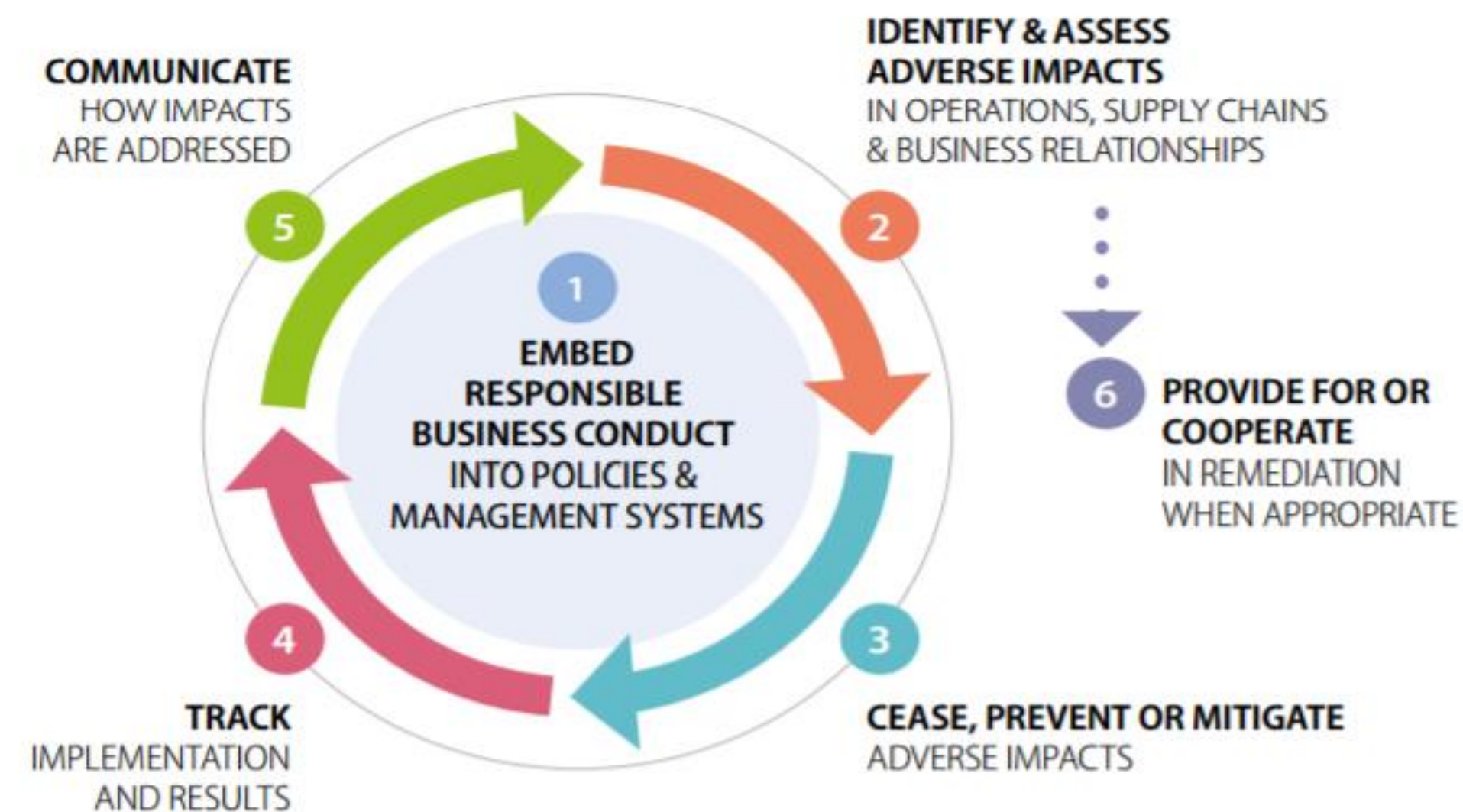
Part II sets out Procedural Guidance to implement the recommendations in Part I (known as the Implementation Procedures)

Disclosure	Human Rights	Employment and Industrial Relations
Environment	Combating Bribery and Other Forms of Corruption	Consumer Interests
Science, Technology and Innovation	Competition	Taxation

Supporting OECD RBC documents to the Guidelines



- Risk-based due diligence is the main tool to identify, prevent or mitigate risk
- The due diligence guidance helps business to understand and implement due diligence for RBC as foreseen in the OECD Guidelines



2023 targeted updates to the Guidelines



- Targeted updates to the Guidelines to ensure they remain relevant for addressing global challenges in a changing world
- Updates took account of changes such as climate change, digital transformation and the need for resilient and inclusive supply chains
- Most significant updates:
 - *Environment – clarifying expectations for RBC related to the climate change and biodiversity crises*
 - *Science, technology and innovation - due diligence recommendations to harness the digital transformation*
 - *Implementation Procedures (for NCPs) - important advances for achieving functional equivalence across the 51 NCPs in the network, while taking into account the need for flexibility*

Environment Chapter Updates (1)



- Sets out the expectation that enterprises **conduct due diligence** to assess and address **adverse environmental impacts** associated with their operations, products and services across a range of environmental issues
- Clarifies that environmental impacts to be understood as **significant changes in the environment or biota**
- Clarifies how an enterprise can be involved with adverse environmental impacts – **causes, contributes to and directly linked**
- Recognises the interlinkages with other matters covered by the Guidelines e.g. health and safety
- Recalls the imperatives of a **just transition**

Environment Chapter Updates (2)



- **Climate change mitigation and adaptation**
 - *Be in line with internationally agreed global temperature goals; introduce science-based policies*
 - *Have strategies and transition plans*
 - *Regularly update targets*
 - *Prioritise eliminating or reducing sources of emission*
- **Biodiversity**
 - *Contribute to the conservation of biological diversity*
 - *Efforts to prevent/mitigate impacts be guided by the biodiversity mitigation hierarchy*
 - *Contribute to sustainable land and forest management where appropriate*

Environment Chapter Updates (3)



- **Sustainable consumption and production**
 - *Adopt technologies to improve environmental performance*
 - *Develop and provide products/services with no undue environmental impacts*
 - *Promote higher levels of awareness among customers of the environmental implications of the products/services*
- **Animal welfare**
 - *Respect animal welfare standards*



Thank you