



OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and New Zealand's National Contact Point

July 2025

The <u>OECD Guidelines for Multinational Enterprises (MNEs) on Responsible Business Conduct</u> (the Guidelines) are internationally recognised standards on responsible business practices that manage risks to the environment, people, and society. MNEs operating in New Zealand and New Zealand companies operating as MNEs are expected to adhere to the Guidelines. The Guidelines are voluntary and not legally enforceable.

The Guidelines are part of the OECD Declaration on International Investment Multinational Enterprises, which the New Zealand government has agreed to. They align with other key international instruments including the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

Governments play a key role in supporting business effectively implementing responsible business conduct (RBC) standards by providing an enabling policy environment, creating incentives, and exemplifying RBC in their own activities, as recognised in the <u>Recommendation of the OECD Council on the Role of Government in Promoting Responsible</u> <u>Business Conduct</u> adopted in December 2022.

The standards that MNEs are expected to observe cover nine themes:

| Disclosure | Consumer interests |
|-------------------------------------|-------------------------------------|
| Hunan Rights | Science, Technology, and Innovation |
| Employment and industrial relations | Competition |
| Environment | Taxation |

Combating bribery and other forms of corruption

A key element of RBC is risk-based due diligence— a process through which businesses can identify, prevent, and mitigate their actual and potential negative impacts, and account for how those impacts are addressed. The OECD website provides further information on the Guidelines and Guidance on Due Diligence (link here).

New Zealand's National Contact Point

As an adherent to the Guidelines, New Zealand has a National Contact Point for responsible business conduct (NCP) that is in the Ministry of Business Innovation and Employment (MBIE) which oversees:

- promoting awareness and uptake of the Guidelines, and
- handling complaints against MNE's on non-observance of the Guidelines.

The NCP is supported by a Liaison Group, made up of representatives from government agencies, unions, civil society, and business, that assists, advises and monitors the operation of the NCP. The NCP reports annually to the OECD the Working Party on Responsible Business Conduct.

You can find more information on New Zealand's NCP on its webpage (link here).

Handling complaints

Even though the Guidelines are voluntary, they provide a process to raise complaints about an MNE's actions and behaviour that are alleged to be in breach of the Guidelines.

From 2007 to 2024 the NZ NCP has reviewed fourteen complaints against MNEs. These complaints focused on issues related to the environment, labour rights and human rights (including Indigenous rights). For more information on individual complaints refer to the NCP webpage (<u>link here</u>).

Making a complaint

Any individual, employee or their union, iwi, hapu, communities, or non-governmental organisation with an interest in the matter may submit a complaint regarding an MNE's alleged breaches of the Guidelines.

Complaints can be made to the NCP about:

- A foreign or New Zealand MNE operating in New Zealand, or
- A New Zealand MNE operating overseas, even in countries that do not follow the Guidelines.

To submit a complaint to the New Zealand NCP you need to fill out the complaint submission form (<u>link here</u>) and email it to <u>oecd-ncp@mbie.govt.nz</u>. The stages of the complaints process are outlined in diagram 1.

The NCP will make an initial assessment of the complaint against the Guidelines criteria. If the complaint is accepted, the NCP will invite parties to take part in a mediated dialogue with the view to increase awareness of the Guidelines and encourage resolution of issues raised in the complaint. The New Zealand NCP may liaise with countries' NCPs to help with resolving the complaint.

The process is non-judicial. The NCP cannot compel parties to participate, impose sanctions or require compensation. If mediation is refused or fails to achieve agreement, the complaint will return to the NCP for examination. The NCP will make a statement on the outcome of the assessment, mediation or examination process.

Further information on the complaints process can be found in the *New Zealand National Contact Point procedures for dealing with complaints brought under the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* (<u>link here</u>).



The National Contact Point Global Network

Governments that follow the Guidelines have all established NCPs. There are 52 in the global network of NCPs, covering 50 per cent of the world's Gross Domestic Product. This network helps support functional equivalence in the operation of the NCPs and the way they promote the Guidelines and the handling of complaints. Through this network, NCPs can stay informed and support their governments' policy coherence.

Over the past 20 years, the global network of NCPs has handled over 750 complaints (referred to as 'specific instances') in over 110 countries, including more than 50 countries that are non-adherents to the Guidelines.

From 2011-2024, the most common sectors for complaints were mining and quarrying, manufacturing, and financial and insurance activities. The most raised issues were human rights, general policies/due diligence, and employment and industrial relations. Two-thirds of submitted complaints were accepted and moved forward to offer mediation services.

The number of complaints received has increased over time, with 56 complaints received in 2024 with 57 per cent of cases with mediation leading to agreement between the parties. Details on the global NCP network and its impact of the network can be found in the OECD's website and annual report (link here).