

Annual Report 2019

of the Austrian National Contact Point for the
OECD Guidelines for Multinational Enterprises



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1 OECD Guidelines for Multinational Enterprises

Sustainable thinking and action are a hallmark of many Austrian companies. Moreover, they are a driving force for innovation and for boosting the competitiveness of Austrian business in a global market. Against the background of increasingly complex value chains, the OECD Guidelines for Multinational Enterprises constitute an effective tool for understanding and managing risks in important areas of corporate responsibility along the entire value chain.

1.1 Overview

The OECD Guidelines represent the most comprehensive instrument for promoting responsible business conduct in a global context. They include recommendations on disclosure, human rights, employment and industrial relations, environment, combating corruption, consumer interests, science and technology, competition as well as taxation.

The OECD Guidelines can ensure that the Sustainable Development Goals of the United Nations are not undermined by negative impacts on society and the environment ('do no harm'). They help create a level playing field in the international market and may foster an inter-stakeholder dialogue for corporate responsibility.

49 adhering countries

All 36 members as well as Egypt, Argentina, Brazil, Costa Rica, Jordan, Kazakhstan, Colombia, Croatia, Morocco, Peru, Romania, Tunisia and Ukraine have agreed under international law to promote and implement the principles and standards of responsible business conduct. In 2019, Croatia joined the Investment Declaration.

Dispute settlement mechanism

The OECD Guidelines are the only multilaterally agreed instrument for responsible business conduct with an integrated dispute settlement mechanism.

The National Contact Points in the adhering countries offer non-adversarial procedures, such as conciliation and mediation platforms, for complaints about contraventions of the OECD Guidelines.

1.2 National Contact Points

Austrian National Contact Point

The Austrian National Contact Point (Austrian NCP) is an independent organisational entity within Unit III/6a 'Austrian National Contact Point for the OECD Guidelines for Multinational Enterprises' of the Federal Ministry for Digital and Economic Affairs (BMDW). The Austrian NCP's activities are supported by a Steering Committee consisting of representatives of ministries, chambers, stakeholder groups and civil society and chaired by an appointee of the BMDW.

The Foreign Trade Strategy 2018 of the Austrian federal government underscores the importance of the OECD Guidelines in supporting corporate responsibility (see the chapter 'Foreign trade policy with guiding values'). It also emphasises the Austrian NCP's role as a one-stop-shop for ensuring corporate responsibility.

Further Information

For contact data of all National Contact Points please consult the official website on the OECD Guidelines at: mneguidelines.oecd.org

Further information on the OECD Guidelines for Multinational Enterprises can be obtained at the following links:

- Business and Industry Advisory Committee (BIAC) to the OECD www.biac.org
- OECD Watch www.oecdwatch.org
- Trade Union Advisory Committee (TUAC) to the OECD www.tuac.org

2 Review of 2019

The Austrian NCP provides information on the OECD Guidelines, organises discussion fora and expert talks, and is actively involved in stakeholder events on responsible business conduct. In addition, the Austrian NCP is available for enquiries concerning the application and relevance of the Guidelines and issues advisory opinions on related questions. In 2019, the Austrian NCP focused on thematic events to inform new dialogue groups about the OECD Guidelines.

2.1 Core Activities

OECD Peer Review of the Austrian NCP

The voluntary Peer Reviews were included in the Guidelines in 2011. They serve to improve both the application of the OECD Guidelines and the work of the National Contact Points. The Peer Review of the Austrian NCP, begun in 2017, was continued in 2018, with the results being presented to the OECD Working Party on Responsible Business Conduct in December. The Peer Review appreciated the expertise of the Austrian NCP and the number of activities undertaken to disseminate the OECD Guidelines. In March 2019, the Peer Review of the Austrian NCP was adopted by the OECD Investment Committee and published on the internet sites of both the OECD and the BMDW.

2.2 The OECD Guidelines under Discussion

Workshop and expert talk on 21 February 2019: OECD Due Diligence Guidance – How to Implement it

In the morning of 21 February 2019, Foreign Trade Austria (AWA) of Austria's Economic Chamber (WKO) and the Austrian NCP invited companies to a workshop with Barbara Bijelic (Legal Expert on Responsible Business Conduct in the OECD Secretariat), who had been actively involved in the preparation of the Guidance, to present the OECD Due Diligence Guidance and discuss with Heidrun Schmidt of Oesterreichische Kontrollbank (OeKB) the relevance of due diligence in granting publicly supported export credits.

In recent years, the OECD has developed a number of guidance documents for conducting due diligence reviews, specifically in the – oil, garment & footwear, mining, agricultural and financial – sectors. As Barbara Bijelic explained, the newly issued General Guidance was intended to support enterprises of all sectors in identifying risks related to the environment, to employees, consumers, human rights and corruption.



Photo 1 Workshop OECD Due Diligence Guidance, 21 February 2019 (f.r.t.l.: Barbara Bijelic, Michael Zimmermann, Heidrun Schmid, Irene Janisch, Mario Micelli)

Heidrun Schmid addressed the due diligence reviews conducted by the OeKB for granting publicly supported export credits. If companies request the issue of export guarantees for their business activities, all and any such activities are reviewed by the OeKB on behalf of the Federal Ministry of Finance for their environmental and social impacts. Major capital goods projects are reviewed in accordance with international standards (OECD Common Approaches) to make sure that all providers from OECD economies encounter a level playing field. For projects that do not come under the Common Approaches, the OeKB uses the size, location and sector of a project to decide whether a more detailed review is necessary.

Following these contributions, the roughly 40 participants in the expert talks addressed different aspects – from prioritising risks or engaging stakeholders to taking the first due diligence steps in practice – to discuss due diligence with Barbara Bijelic.

In the afternoon of the same day, the Austrian NCP invited members of the Steering Committee and representatives of federal ministries to meet Barbara Bijelic, who presented the Guidance and discussed with the 17 participants experiences and expectations, for example the role of governments in creating a favourable environment for responsible business conduct. She stressed how essential it was to create coherence by cooperating with stakeholders in business, workers' organisations, civil society, the general public and internal government structures as well as with other governments.



Photo 2 Experttalk to OECD Due Diligence Guidance, 21 February 2019

Smart Stakeholder Engagement – Corporate Responsibility in the Digital Age on 8 April 2019

Digitalisation and responsible business conduct were the focus of an information and networking event organised by the Austrian NCP in the evening of 8 April 2019 in the Gobelin Hall of the BMDW.

In her welcome address Director General Cynthia Eva Zimmermann (European Union and International Market Strategies, BMDW) underlined the importance of corporate responsibility as a crucial element for Austrian business and industry competing in a global market. Zimmermann further stated that, in order to support enterprises in assuming corporate responsibility, the government's new Foreign Trade Strategy aimed at strengthening the Austrian NCP as a one-stop-shop for the OECD Guidelines.

Christine Kaufmann, Law Professor at the University of Zurich and since January 2019 Chairwoman of the OECD Working Party on Responsible Business Conduct, outlined in her keynote address how the OECD Guidelines could help in coping with the challenges of digitalisation. In another keynote speech John Aston, stakeholder engagement expert, explored how new technologies might be applied to engage stakeholder groups by using the structure of an internet site to illustrate his point. Led by Manfred Schekulin (BMDW), the speakers discussed the possibilities and limits of digital technologies within the context of responsible business conduct.

In the following deep dive into the topic, Adele Tharani (Community Relations and Development OMV), Wolfgang Kraus (Senior Associate IPIECA) and John Aston used practical examples to show the roughly 60 participants from business, industry, politics and civil society the challenges to be met in building successful stakeholder relations in emerging and developing countries. They agreed that unknown structures, insufficiently formalised relationships between local stakeholder groups, private businesses and authorities as well as a lack of dialogue culture require detailed knowledge of the market, tact and local presence to succeed.



Photo 1 Smart Stakeholder Engagement (f.l.t.r.): Wolfgang Kraus, Cynthia Zimmermann, John Aston, Adele Tharani, Christine Kaufmann, Mario Micelli)



Photo 2 Smart Stakeholder Engagement, Key Note (f.l.t.r.): Christine Kaufmann, John Aston, Manfred Schekulin)

Workshop: Above-board business practices are paying off – successful instruments and strategies in meeting risks of corruption in foreign business operations

The Austrian NCP for the OECD Guidelines, together with the WKO's Foreign Trade Austria and the International Anti-Corruption Academy (IACA), hosted a workshop on 7 October 2019 where good practice examples were presented to illustrate how enterprises can prevent susceptibility to corruption in business activities abroad. Pawan Kumar Sinha, Director of Academic Programmes at the IACA, recommended companies join forces to take a stronger stance in markets that are highly susceptible to corruption. Christian Hauser, Swiss Institute for Entrepreneurship, Grisons University of Applied Sciences, quoted a number of key factors likely to increase the companies' risk of corruption, e.g. relying on local commercial agents. Important countermeasures include whistle-blower hotlines and targeted training of employees. During the subsequent deep dive, participants were given four case studies to develop strategies of how to actually counter corrupt business practices and discuss their solutions in the concluding plenary.



Photo 3 Workshop Anti-Corruption (f.r.t.l.): Michael Zimmermann, Pawan Kumar Sinha, Sebastian Wsseticzka, Christian Hauser, Mario Micelli)



Photo 4 Workshop Anti-Corruption. In small groups, the participants worked out the various scenarios for how to concretely counter corrupt business practices.

Roundtable: Co-design global responsibility – how members of works councils may use their participatory powers

On 22 October 2019, the Austrian NCP for the OECD Guidelines invited members of works councils and employees’ representatives delegated by internationally operating enterprises to works councils to participate in a roundtable which presented options for employee involvement in global corporate responsibility and discussed their implementation.

In his keynote speech Eckhard Voss, Member of the Management Board of wmp consult, addressed the importance of global framework agreements and the practical value of due diligence approaches. His presentation was followed by that of Hermann Soggeberg, Chairman of the Unilever Germany Group Works Council and of the Unilever European Works Council, who explained how employee representatives can play an active role in designing key sustainability aspects and implementing global corporate responsibility at enterprise level. The Roundtable was concluded by an exchange of opinions between the speakers and its 15 participants.



Photo 5 Roundtable „Do-design global responsibility“ (f.r.t.l.: Hermann Soggeberg, Eckhard Voss, Irene Janisch, Gudrun Zimmerl, Mario Micelli)

2.3 Participation in Stakeholder Events

The Austrian NCP informed about the OECD Guidelines and its dispute settlement mechanism at the following stakeholder events:

- Meeting with the Works Council of Palfinger AG in Salzburg on 27 February 2019
- Presentation of the OECD Guidelines to students at the Vienna University of Economics and Business (WU) on 28 March 2019
- Presentation of the OECD Guidelines to the Advisory Council for Export Guarantees of the Federal Ministry of Finance (BMF) on 21 November 2019

2.4 Brochures and Information Material

Information brochure

The brochure 'The Austrian National Contact Point' provides information in German and English on the OECD Guidelines as well as on the tasks and activities of the Austrian NCP.

Annual reports

The annual reports provide an overview of the Austrian NCP's activities and are available in German and English.

Leaflet on the OECD Guidelines for Multinational Enterprises

This basic information on the Guidelines, the Austrian NCP and the grievance procedure is available in German and English.

All printed materials can be ordered by e-mail free of charge from ncp-austria@bmdw.gv.at or downloaded from www.oecd-leitsaetze.at.

3 Knowledge Sharing and Networking

3.1 Mediation Academy

On 9 and 10 April 2019, the Austrian NCP and the Consensus Building Institute (CBI) organised the Mediation Academy for 16 representatives of 13 international NCPs. According to Mario Micelli from the Austrian NCP, this peer learning event is a platform for mutual learning in mediation where experienced NCPs present their best practice examples and where participants highlight common challenges and develop solutions for special cases. The programme was based on so called ‘key moments of mediation’ including: initial evaluation, stakeholder mapping, transparency and confidentiality, involvement of external mediators (an element included in the wake of the peer review), implementation and follow-up, final declarations (of a unilateral nature or supported by the parties) as well as mediation and human rights.



Photo 6 Mediation Academy, Participants

3.2 NCP Exchange Meetings and International Conferences

The Austrian NCP participated in meetings of the OECD Working Party on Responsible Business Conduct and in meetings of the Network of National Contact Points in 2019. On 13 and 14 February 2019, it attended the OECD Forum on Due Diligence in the Garment and Footwear Sector on the topic of ‘measuring impact’ in Paris. The Austrian NCP was also present at the 13th Forum on Responsible Mineral Supply Chains held from 23 to 26 April 2019 in Paris. The Forum focused on

'Measuring Impact & Looking towards the Future'. The Austrian NCP took part in a workshop on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) organised by ILO from 23 to 27 September 2019 in Torino/Italy, which revolved around the ILO Declaration, work of the ILO in respect of corporate responsibility and areas where the Declaration and the OECD Guidelines overlap. The Network of German-speaking NCPs met for an exchange of views on 24 October 2019 in Bern/Switzerland.

4 Contact

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