

**UK NATIONAL CONTACT POINT
FOR THE OECD GUIDELINES:
ANNUAL RETURN TO THE OECD
INVESTMENT COMMITTEE FOR
2009/10**

September 2010

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UK NATIONAL CONTACT POINT FOR THE OECD GUIDELINES: ANNUAL RETURN TO THE OECD INVESTMENT COMMITTEE – 2009/10

Common Framework for Annual Reporting by National Contact Points for the period 1 July 2009 - 30 June 2010

A. Institutional Arrangements

- The UK NCP consists of two ministries/departments. It is located at the Department for Business, Innovation, and Skills (BIS), and is part funded by the Department for International Development (DFID). Full contact details are:

UK National Contact Point for the OECD Guidelines for Multinational Enterprises
Department for Business, Innovation & Skills (BIS)
3rd Floor Victoria Zone 3
1 Victoria Street
London SW1H 0ET

NCPs may wish to provide additional information regarding institutional arrangements (e.g. regarding the composition of the National Contact Point; advisory committees...).

- The UK NCP has three members in the team, located at the Department for Business, Innovation, and Skills (BIS). The UK NCP's work is overseen by a Steering Board, which consists of representatives from the business, trade union, and NGO communities, and an all-party Parliamentary Committee, as well as representatives from Government Departments i.e. the Department for Business, Innovation and Skills (BIS); the Department for International Development (DFID); the Foreign and Commonwealth Office (FCO); the Department for Work and Pensions (DWP); and the Export Credits Guarantee Department (ECGD). The Board can also call on representatives of other Government departments and agencies as necessary. The Board meets on a quarterly basis.

How does the NCP relate to other government agencies?

- The UK NCP is part funded by the Department for International Development (DFID), and works closely with them, as well as with the FCO (in providing information to overseas posts), and also the other government departments on the Steering Board (i.e. ECGD, and DWP) to raise awareness of the OECD Guidelines. In addition, UKTI (United Kingdom Trade and Investment), which was represented on the NCP Steering Board until December 2008, has links on its website to the UK NCP's website. The UK Anti-Corruption Unit also works closely with the NCP and has links from its website to that of the UK NCP web pages.

How does the NCP relate to social partners (business community and employee organisations) involved in the functioning of the National Contact Point?

- Both the Confederation of British Industry (CBI) and Trade Union Congress (TUC) are members of the UK NCP Steering Board, so the UK NCP has contact with both organisations on a regular basis and they are sent copies of all Final Statements, as well as other relevant documents, in order to disseminate these to their constituents. The websites of both organisations also have links to the UK

NCP website. Both organisations, along with other Steering Board members fed into the drafting of the parallel proceedings guidance, and an update to the procedural guidance, which were both published in September 2009.

- The UK NCP keeps in touch with the TUC in relation to trade union related Specific Instances e.g. IUF/Unilever (Pakistan's Khanewal factory); IUF/Unilever (India's Sewri factory); and IUF/Unilever plc (Pakistan's Rahim Yar Khan factory).

How does the NCP relate to other interested parties, including non-governmental organisations (NGOs), involved in the functioning of the NCP?

- The NGO community is represented on the UK NCP Steering Board and therefore has regular contact with the UK NCP. This has included, along with other Steering Board members feeding into the drafting of the parallel proceedings guidance, and an update to the procedural guidance, which were both published in September 2009. The UK NCP has also had regular dialogue with individual NGOs on specific instances and other issues (e.g. Survival International in regards to its complaint against Vedanta Resources).

How the NCP relates to other leading corporate responsibility instruments (such as the ILO Tripartite Declaration on Multinational Enterprises and Social Policy or the UN Global Compact and its local networks)?

- The UK NCP's relationship with the International Labour Organisation (ILO) guidelines and standards is maintained by membership of the UK NCP Steering Board by the Department for Work and Pensions (DWP), which leads for the government on issues relating to the ILO. The ILO contact has circulated relevant documents to the Steering Board via the UK NCP (most recently the UK Government position on ILO Convention 94).
- The UK lead on the UN Global Compact is in the Corporate Responsibility team within the Department for Business, with whom the UK NCP works closely. The UK NCP has also attended a number of events, including a UN Global Compact UK network and Amnesty International (UK) hosted event on business and human rights in September 2009; and the UN Global Compact Ministerial event in December 2009. The Secretariat for the UK Network of the UN Global Compact has also circulated to its network/members copies of the Final Statement on Specific Instances recently completed by the UK NCP, e.g. IUF/Unilever (Pakistan's Khanewal factory); and IUF/Unilever (India's Sewri factory), as well as other UK NCP documents (e.g. UK NCP booklet on the OECD Guidelines; UK NCP consultation on the update of the OECD Guidelines).

Have institutional changes been made, or are currently planned, to improve the performance of the NCP? Do these changes relate to the structure of the NCP or the consideration of specific instances? Have they, or are they being inspired, by changes in other NCP institutional arrangements or stakeholders' recommendations. Please elaborate on the reasons and expected impact of these changes.

- No institutional changes have been made to the UK NCP since resources were increased from two to three full time staff in March 2009. However, since 1 July 2009, guidance has been produced for complainants and companies on how the UK NCP intends to handle the issue of parallel proceedings within the OECD

Guidelines complaints process; and also the UK NCP procedural guidance has been updated to include a new section on the UK NCP follow-up on Final Statements (both published in September 2009 following approval by the Steering Board).

B. Information and Promotion

How have the Guidelines been made available in your country (translation, creation of a webpage or website, etc.)?

- The Guidelines are available from the UK NCP webpages (restructured in 2009) which are on the BIS (Department for Business, Innovation, and Skills) website, which itself was updated in March 2010. In addition to the Guidelines, the UK NCP website also includes pages on the complaints procedures, the Steering Board, cases, consultations, and other documents. New documents on the website include a new UK NCP booklet on the OECD Guidelines, which has also recently been translated into French and Spanish and made available at various events, seminars, presentations, meetings, and to enquirers on request. Following the restructuring of the website, the average number of visitors to the UK NCP website increased from an average of just over 300 a month, to nearly 1300 during February (2010). This increase may be partially due to the site containing information on the UK NCP's consultation of the update of the Guidelines. Government Departments (UKTI, ECGD) and other organisations (CBI, TUC) also have links on their websites to the UK NCP website.

How is co-operation with the business community, trade unions, NGOs and the interested public carried out, with respect to information on, and promotion of, the Guidelines (consultations, distribution of the Guidelines, etc.)?

- The business community, trade unions, NGOs and other interested parties have all been involved in the public consultation on the update of the OECD Guidelines. As part of this consultation process, the UK NCP published a consultation document (October 2009), organised and hosted a multi-stakeholder event (November 2009), and in March 2010 published the Government's response to the UK consultation on the terms of reference for an update of the OECD Guidelines. This public consultation demonstrated outreach and responsiveness to the UK NCP stakeholders.
- The business community, trade unions and NGOs are all represented in the membership of the UK NCP Steering Board, and these organisations disseminate information to their members, including all Final Statements. These members have a clear remit from their constituencies to raise concerns and suggest improvements. The UK NCP provides the Steering Board members with an update on current cases and progress on awareness raising activities at its quarterly meetings, and also responds to any questions raised at these meetings.
- The business community are represented on the UK NCP Steering Board through the Confederation of British Industry (CBI), which disseminates information to its members. They have raised awareness of the OECD Guidelines for MNEs through their business networks and contacts. This has included circulating

invitations to its members for the UK NCP stakeholder event (9 November 2009) on the update of the Guidelines, as well as participating in the event as one of the panellist. In March 2010 a letter was sent from the UK NCP Steering Board Chair (with a copy of UK NCP booklet) as part of a mailing to 1150 UK companies. The CBI also has a link to the OECD Guidelines on their website.

- The UK NCP has regular contact with the Export Credits Guarantee Department (ECGD), which is also member of the UK NCP Steering Board. The ECGD has links from their website to that of the UK NCP
- UK Trade and Investment (UKTI), which was represented on the Steering Board until December 2008, has links from its site to the UK NCP website, as well as the UK NCP booklet on the OECD Guidelines.
- Trade unions are represented on the UK NCP Steering Board through the Trade Union Congress (TUC), and the UK NCP has had regular contact with the TUC. The TUC continues to promote the Guidelines in various fora inside and outside the trade union world. During October 2009, the TUC circulated both the invitation for the UK NCP stakeholder event (9 November 2009), and the UK Consultation on the terms of reference for an update of the OECD Guidelines for MNEs to its members. The TUC website also contains information about the OECD Guidelines.
- UK NGOs have a nominated representative on the NCP Steering Board. The UK NCP has regular contact with the NGO community, including hosting a number of meetings (October 2009 and April 2010) with the London Mining Network and their overseas delegations to explain the OECD Guidelines.
- The UK NCP also fed in information about its complaints handling mechanism to the International Bar Association (IBA) project 'Business and Society Exploring Solutions'. The project is part of the mandate of John Ruggie and is led by the IBA, the Harvard Kennedy School of Government, the Compliance/Advisor Ombudsman of the World Bank and the JAMS Foundation (a dispute resolution service). The project team aims to set up a wiki style online information resource and learning network about non-judicial mechanisms available to address disputes between businesses and civil society. The goal of the project is to improve access to non-judicial remedies by filling an information gap that currently exists.

Have other information and promotion activities been held or planned (seminars and/or conferences on the Guidelines in general or on specific subjects, informative publications or guides, co-operation with investment promotion agencies, departments of education, business schools, etc.)?

- In November 2009 the new updated version of the UK NCP booklet on the OECD Guidelines was published, which gives a summary of the OECD Guidelines and also the work of the UK NCP. This booklet has proved to be very useful tool to raise awareness of the Guidelines, with over 2500 copies circulated to stakeholders, and used by the UK NCP at various meetings, events and seminars.
- The UK NCP booklet was also sent to the UN Global Compact (UK Network); International Chamber of Commerce (ICC); International Council on Mining and

Metals (ICMM); and the Business & Human Rights Resource Centre, who all agreed to circulate it to their members/contacts. The UK NCP also asked the International Bar Association, London Mining Network, and other respondents to the UK Government consultation on the update of the Guideline to do likewise. The booklet is available on the UK NCP website, as well as on the UKTI website and in hard copy from the UK NCP direct.

- The UK NCP stakeholder event on the update of the OECD Guidelines (9 November 2009) also offered the UK NCP an opportunity to publicise its wide selections of UK NCP documents, many of these were included in the information packs for all 60 attendees. These included the new UK NCP booklet on the Guidelines; the OECD Guidelines; the UK NCP consultation document on the update; UK NCP procedural guidance; UK NCP guidance on parallel proceedings; and the business and human rights toolkit.
- A business and human rights toolkit was published in October 2009 by the FCO which was jointly prepared with BIS and DFID, following consultation with stakeholders. This provides guidance to overseas posts in handling complaints made about UK companies or subsidiaries operating overseas whose activities may have contributed to human rights abuses. The toolkit, which contains strong references to the guidelines, has been brought to the attention of FCO posts overseas.
- The UK NCP has worked with the FCO to enable them to circulate the UK NCP booklet (including the French and/or Spanish versions where appropriate) to over 100 UK embassies overseas during April 2010, which has led to a number of requests for additional copies.
- The UK NCP works closely with DFID, who provides part of the UK NCP funding. The DFID contribution is used, in part, for awareness-raising activities. Therefore, information about complaints raised and Final Statements are circulated internally within DFID, including to country offices. Information on the Guidelines is also fed in to their ministerial speeches and publications, and there are links to the UK NCP's website on DFID's website and intranet.
- The UK NCP and other UK Government officials have used a number of events to raise awareness of the OECD Guidelines, including:

DATE	EVENT	AWARENESS ACTIVITY
29 September 2009	UN Global Compact UK network & Amnesty International UK hosted event on Business and Human Rights UK	UK NCP able to promote the Guidelines and also advertise the 9 November (2009) UK stakeholder event on the update of the Guidelines.
1 December 2009	Mining sector event for AIM (Alternative Investment Market) quoted mining companies, hosted by the London Stock Exchange.	UK NCP attended; UK NCP booklets available to attendees.
4 December 2009	UN Global Compact Ministerial Event at BIS.	UK NCP attended; UK NCP booklets available to attendees.
7-9	OECD stakeholder consultation on the	UK NCP attended; UK NCP

December 2009	Guidelines update and mining sector meetings.	booklets available to attendees.
15 December 2009	BIS/DFID Trade Policy Unit Presentation on the OECD Guidelines.	UK NCP gave presentation; UK NCP booklets available to attendees.
19 January 2010	Chatham House event on "Bribery: Impact and Prevention", where Jack Straw (Ministry of Justice Minister) and Ambassador Richard Boucher (OECD) shared the platform.	UK NCP booklets available to attendees.
20 January 2010	Conference in Berlin on Prof. John Ruggie's framework	SB Chair spoke at this event; opportunity to raise awareness of the UK NCP's published complaint process particularly the use of professional conciliation/mediation.
25/26 January 2010	Cumberland lodge – BIS/DFID Trade Policy Unit event for government and business to discuss key trade issues.	UK NCP booklets available to attendees.
11 February 2010	International Centre for Corporate Social Responsibility (ICCSR) - Nottingham University Business School	Presentation by UK Anti-Bribery Team; UK NCP booklets available to attendees.

- For the 15 December presentation (as listed above) UK NCP updated its Powerpoint slides and added them to the UK NCP website. This presentation will now be used by the UK NCP when attending events and meetings in the future. The slides are available on the UK NCP website.
- The UK NCP has also worked with COI (Central Office for Information) and the BIS Communications team to put together an awareness campaign on the OECD Guidelines. This campaign made use of communication media which the UK NCP had not previously used, including:
 - An electronic bulletin sent to 35, 000 decision makers within large corporate companies responsible for ensuring that their organisation meets required standards and conforms to relevant legislation;
 - Advertising on news websites;
 - Electronic mailing to CSR contacts in large companies; and
 - Direct mailing of the NCP booklet to some 1150 large multinational companies in the UK.

Has the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones been disseminated or otherwise referred to in the context of interactions with enterprises and stakeholders?

- The OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones is available via a link from the UK NCP website. There are also

references to the tool in the UK NCP leaflet on the OECD Guidelines, which is disseminated by the UK NCP including at events, seminars, and meetings.

- The tool is explicitly mentioned (including a link) in the business and human rights toolkit that the FCO sent to its overseas posts to assist them in the handling of complaints they may receive on the behaviour of UK companies overseas.
- References to the OECD Guidelines and the Risk Awareness Tool was also included in a short BIS guide on “How to tackle regulatory barriers when doing business abroad” (March 2009), outlining the range of help BIS can provide to help UK firms overcome problems when trading in the EU or globally.
- Given the common theme of pro-active risk management, the Risk Awareness Tool has also been added to the OSIB (Overseas Security Information for Business) webpage, which is part of the UKTI website.

Annex 3 to this questionnaire presents Table 1 from the 2009 NCP Chair’s Summary (“The OECD Guidelines and Export Credit, Overseas Investment Guarantee and Inward Investment Promotion Programmes”. NCPs are asked to update this table. If no update is necessary, please indicate this. If the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones is referred to in these programmes, please indicate this separately.

- Following consultation with ECGD, a slight update to the UK entry on the table in Annex 3 (not attached) has been made, which now says “The Export Credits Guarantee Department’s (ECGD) website contains links to the website of the UK National Contact Point”.

Have enquiries been received from (a) other NCPs; (b) the business community, employee organisations, other non-governmental organisations, or the public; or (c) governments of non-adhering countries?

- The UK NCP has had contact when necessary with other NCPs through meetings at the OECD, supplemented by informal contacts. The UK NCP has also discussed specific instances as well procedures with other NCPs (e.g. from Australia, Canada, France New Zealand, Switzerland and the USA). In addition, through its participation in the peer review of the Dutch NCP, the UK NCP has had regular contact with other NCPs who were members of the peer review team (i.e. French, Canadian, Japanese and Chilean, as well as the Dutch NCP itself).
- The UK NCP has had regular contact with the business community, employee organisations, and other non-governmental organisations in relation to specific instances they are dealing with. In addition, enquires have been received from academics, lawyers, and members of the public (including university students), both from the UK and overseas.
- The UK NCP has not had any enquires from the governments of non-adhering countries.

C. Implementation in specific instances

NCPs might want to provide the following information on specific instances that were raised and/or concluded during the June 2009-2010 cycle. Please ensure that the information submitted is suitable for dissemination. Subject to respecting adhering countries' commitments to operate in accordance with the core criteria of visibility, accessibility, transparency and accountability, NCPs may provide any information they want (including no information).

- The UK NCP concluded the following four cases in the period from 1 June 2009 to 19 April 2010: Unilever Plc (India - Sewri factory), Unilever Plc (Pakistan - Rahim Yar Khan factory), Vedanta Resources Plc (India), and Unilever Plc (Pakistan - Khanewal factory):

SPECIFIC INSTANCE 1: UNILEVER PLC (INDIA - SEWRI FACTORY)

Date request to consider specific instance was received:

- 3 October 2006. The UK NCP agreed to take the lead on this case on 12 January 2007.

Who raised the specific instance (e.g. business, trade union, NGO)?

- Complaint raised by a trade union (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)).

Which chapters of the Guidelines are cited in the specific instance? If possible, please also cite the specific recommendation(s) covered by the request.

- Chapter I(7) "Concepts and Principles", and Chapter IV(6) "Employment and Industrial Relations".

Has the specific instance involved business activities in a non-adhering country? Was the specific instance a multi-jurisdictional instance and involved other NCPs? Has the home NCP liaise with the parent company of the enterprise party to the specific instance?

- The alleged breach of the Guidelines occurred in India (a non-adhering country). The complaint was sent to the UK and Dutch NCPs at the same time. In January 2007, the UK NCP agreed to take responsibility for the complaint. The UK NCP liaised with the parent company in the UK.

Sector of activity: extractive industry (which industry?); agriculture; other primary sectors; manufacturing (which sub-sector?); financial services; retail distribution; transport; other services.

- Manufacturing – food and cleaning products.

Was the request to consider the specific instance accepted or rejected (if possible, describe grounds for not taking up a request)?

- Accepted.

If accepted, date specific instance was concluded.

- 9 November 2009. – The duration of this complaint includes a period of time allowed to the parties to reach a resolution to the dispute through negotiations outside of the Specific Instance process.

Were the results communicated to the public and, if so, how?

- Yes, the Final Statement (FS) on this Specific Instance was published on the UK NCP's website (www.bis.gov.uk/nationalcontactpoint), and also on Tradewire, which is an online resource for UK Government officials across the world (i.e. BIS, FCO, DFID and UKTI). The FS was also forwarded to: the UK NCP Steering Board (in order for them to circulate on to their constituents); to UN Global Compact who agreed to circulate it to their UK members; and to the Business & Human Rights Resource Centre, who posted the FS on their website and added it to their weekly update newsletter.

Has the NCP monitored the implementation of final statements' recommendations?

- Not required. The parties agreed a mutually satisfactory outcome.

Would the NCP care to contribute additional information about this specific instance -- e.g. how was the information on the specific instance gathered? Was accessibility to reliable information or the protection of confidentiality an issue? Did all parties agree with the final statement issued by the NCP?

- No examination of the allegations was required. Both parties agreed with the UK NCP's Final Statement acknowledging the agreement reached through non-UK NCP sponsored mediation in India.

SPECIFIC INSTANCE 2: UNILEVER PLC (PAKISTAN - RAHIM YAR KHAN FACTORY)

Date request to consider specific instance was received:

- 27 October 2008.

Who raised the specific instance (e.g. business, trade union, NGO)?

- Complaint raised by a trade union (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)).

Which chapters of the Guidelines are cited in the specific instance? If possible, please also cite the specific recommendation(s) covered by the request.

- Chapter II(1) "General Policies", and Chapter IV(1)(a) "Employment and Industrial Relations".

Has the specific instance involved business activities in a non-adhering country? Was the specific instance a multi-jurisdictional instance and involved other NCPs? Has the home NCP liaise with the parent company of the enterprise party to the specific instance?

- The alleged breach of the Guidelines occurred in Pakistan (a non-adhering country). The complaint was only addressed to the UK NCP. The UK NCP liaised with the both the parent company in the UK and the subsidiary in Pakistan.

Sector of activity: extractive industry (which industry?); agriculture; other primary sectors; manufacturing (which sub-sector?); financial services; retail distribution; transport; other services.

- Manufacturing – food and cleaning products.

Was the request to consider the specific instance accepted or rejected (if possible, describe grounds for not taking up a request)?

- Accepted.

If accepted, date specific instance was concluded.

- 13 August 2009.

Were the results communicated to the public and, if so, how?

- Yes, the Final Statement on this complaint was published on the UK NCP's website (www.bis.gov.uk/nationalcontactpoint), and also on Tradewire, which is an online resource for UK Government officials across the world (i.e. BIS, FCO, DFID and UKTI). The FS was also forwarded to the UK NCP Steering Board in order for them to circulate on to their constituents.

Has the NCP monitored the implementation of final statements' recommendations?

- Not required. The parties agreed a mutually satisfactory outcome.

Would the NCP care to contribute additional information about this specific instance -- e.g. how was the information on the specific instance gathered? Was accessibility to reliable information or the protection of confidentiality an issue? Did all parties agree with the final statement issued by the NCP?

- No examination of the allegations was required. Both parties agreed with the UK NCP's Final Statement reflecting the agreement reached through the UK NCP sponsored mediation process.

SPECIFIC INSTANCE 3: VEDANTA RESOURCES PLC (INDIA)

Date request to consider specific instance was received:

- 19 December 2008.

Who raised the specific instance (e.g. business, trade union, NGO)?

- Complaint raised by an NGO (Survival International).

Which chapters of the Guidelines are cited in the specific instance? If possible, please also cite the specific recommendation(s) covered by the request.

- Chapters II(2), II(7)“General Policies”, and Chapter V(2)(b). “Environment”.

Has the specific instance involved business activities in a non-adhering country? Was the specific instance a multi-jurisdictional instance and involved other NCPs? Has the home NCP liaise with the parent company of the enterprise party to the specific instance?

- The alleged breach of the Guidelines occurred in India (a non-adhering country). The complaint was only addressed to the UK NCP. The UK NCP liaised with the parent company in the UK.

Sector of activity: extractive industry (which industry?); agriculture; other primary sectors; manufacturing (which sub-sector?); financial services; retail distribution; transport; other services.

- Mining.

Was the request to consider the specific instance accepted or rejected (if possible, describe grounds for not taking up a request)?

- Accepted.

If accepted, date specific instance was concluded.

- The Final Statement is dated 25 September 2009. The Follow Up Statement is dated 12 March 2010.

Were the results communicated to the public and, if so, how?

- Yes, both the Final Statement and Follow Up Statements on this complaint were published on the UK NCP’s website (www.bis.gov.uk/nationalcontactpoint), also on Tradewire, which is an online resource for UK Government officials across the world (i.e. BIS, FCO, DFID and UKTI). Both the Final Statement and Follow-up were also forwarded to the UK NCP Steering Board in order for them to circulate on to their constituents. The FS was also accompanied by a BIS Ministerial press notice.

Has the NCP monitored the implementation of final statements’ recommendations?

- Yes, the UK NCP asked both parties to provide an update on the implementation by the company of the recommendations contained in the Final Statement. The UK NCP then published a Follow Up Statement reflecting the parties’ responses.

Would the NCP care to contribute additional information about this specific instance -- e.g. how was the information on the specific instance gathered? Was accessibility to reliable information or the protection of confidentiality an issue? Did all parties agree with the final statement issued by the NCP?

- During the examination stage of the complaint, the UK NCP asked both parties for evidence related to the allegations. Most of the evidence in this case came from the complainant. The UK NCP considered all the evidence submitted by Survival International, which included information from a number of independent sources. The UK NCP also used publicly available evidence (such as India's census data). The UK NCP considered that the evidence provided by the complainant together with evidence it collected through its own research was sufficient to make a determination on whether the company breached the Guidelines. Confidentiality of the information was not an issue. One party disagreed with the UK NCP's conclusions outlined in the Final Statement.

SPECIFIC INSTANCE 4: UNILEVER PLC (PAKISTAN - KHANEWAL FACTORY)

Date request to consider specific instance was received:

- 6 March 2009.

Who raised the specific instance (e.g. business, trade union, NGO)?

- Complaint raised by a trade union (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF).

Which chapters of the Guidelines are cited in the specific instance? If possible, please also cite the specific recommendation(s) covered by the request.

- Chapters II(1), II(4), II(9) "General Policies", and Chapter IV(1)(a) "Employment and Industrial Relations".

Has the specific instance involved business activities in a non-adhering country? Was the specific instance a multi-jurisdictional instance and involved other NCPs? Has the home NCP liaise with the parent company of the enterprise party to the specific instance?

- The alleged breach of the Guidelines occurred in Pakistan (a non-adhering country). The complaint was only addressed to the UK NCP. The UK NCP liaised with the both the parent company in the UK and the subsidiary in Pakistan.

Sector of activity: extractive industry (which industry?); agriculture; other primary sectors; manufacturing (which sub-sector?); financial services; retail distribution; transport; other services.

- Manufacturing – food and cleaning products.

Was the request to consider the specific instance accepted or rejected (if possible, describe grounds for not taking up a request)?

- Accepted.

If accepted, date specific instance was concluded.

- 20 November 2009.

Were the results communicated to the public and, if so, how?

- Yes, the Final Statement on this complaint was published on the UK NCP's website (www.bis.gov.uk/nationalcontactpoint), and also on Tradewire, which is an online resource for UK Government officials across the world (i.e. BIS, FCO, DFID and UKTI). The Final Statement was also forwarded to: the UK NCP Steering Board (in order for them to circulate on to their constituents); to UN Global Compact who agreed to circulate to their UK members; and to the Business & Human Rights Resource Centre, who posted the FS on their website and added it to their weekly update newsletter.

Has the NCP monitored the implementation of final statements' recommendations?

- Not required. The parties agreed a mutually satisfactory outcome.

Would the NCP care to contribute additional information about this specific instance -- e.g. how was the information on the specific instance gathered? Was accessibility to reliable information or the protection of confidentiality an issue? Did all parties agree with the final statement issued by the NCP?

- No examination of the allegations was required. Both parties agreed with the UK NCP's Final Statement reflecting the agreement reached through the UK NCP sponsored mediation process.

Specific instances considered by NCPs to date

Annex 4 presents a summary table intended to provide basic information about specific instances that have been accepted for consideration by NCPs up to June 2010. NCPs are asked to verify and update this table if necessary.

- See Annex 4, which has been updated.

D. Other

How have the core criteria for the operation of NCPs (visibility, accessibility, transparency, and accountability) been applied in your country to further the effectiveness of Guidelines implementation? Please provide examples that illustrate this.

- **Visibility:** The NCP has proactively promoted the Guidelines and its role both internally (within Government) and externally (NGOs, business, and trade unions). During 2009/10 reporting year the UK NCP has published final statements for four specific instances which has meant that the profile of the UK NCP has increased. In one of these cases (i.e. Vedanta Resources plc) the Government issued a press notice to coincide with the publication of the Final Statement (specific instance). As listed above, the UK NCP has attended a number of events, and also taken the opportunity to update fellow NCPs on its activities at relevant OECD meetings and occasionally outside of these meetings.

- **Accessibility:** The UK NCP has widely advertised its contact details (telephone, fax and e-mail) on its website, leaflets, and its banner stand (which is used at events). The UK NCP has its own e-mail account (uk.ncp@bis.gsi.gov.uk) to provide a single contact which can be accessed by all three members working in the UK NCP team rather than just one individual. These individuals are also identified on the website.
- **Transparency:** The UK NCP has provided details of its activities: on its webpages; to other NCPs at OECD meetings in Paris and outside of these meetings; and in discussions with business, trade unions, NGOs and other interested parties. At the quarterly meetings of the Steering Board, the UK NCP provides the members with an update on the status of the cases and the progress on awareness raising activities, and responds to any questions raised. The minutes of these Steering Board meetings are published on the UK NCP website (<http://www.bis.gov.uk/nationalcontactpoint>).
- **Accountability:** The UK NCP has kept UK Ministers and the UK Parliament informed of its activities, for example by answering Parliamentary Questions and Ministerial correspondence. When the NCP issues a Final Statement on a Specific Instance this is approved by Ministers and is subsequently deposited in the libraries of the Parliament. At the quarterly meetings of the Steering Board the UK NCP provides members with an update on the status of the cases it is handling and the progress on awareness raising activities, and responds to any questions raised at these meetings. These members have a clear remit from their constituencies to raise concerns with and suggest improvements to the UK NCP.

Do you wish to provide any other information on the nature and results of NCP activities during this implementation cycle of the Guidelines, including on any useful experiences and/or difficulties encountered in carrying out the duties of the NCP?

- **Independent Mediator for UK NCP cases:** In the two IUF/Unilever plc Specific Instances in Pakistan which were concluded in August (Rahim Yar Khan factory) and November (Khanewal factory) 2009, both parties agreed with the UK NCP's Final Statement reflecting the agreement reached through the UK NCP sponsored mediation process. The UK NCP cannot therefore over-emphasise how positive using a professional mediator has proven to be, since it was used in G4S/UNI Specific Instance in 2008. Not only does an experienced mediator challenge the parties to reach agreement and therefore discussions are more likely to result in a positive outcome, but it removes the NCP's need to examine the complaint. This is important as mediation and examination are the two most time consuming and complex elements of the complaints procedure for the NCP.
- **UK NCP's parallel legal proceedings guidance:** In order to assist all parties to ongoing and future UK Specific Instances, in September 2009 the UK NCP published on its website guidance on how it intends to approach complaints in which there are parallel legal proceedings. In putting together this guidance, the UK NCP took into account the Guidelines and the annexed commentaries, and the advice from the OECD and its accredited stakeholders. The UK NCP also extensively consulted the UK NCP's Steering Board which formally endorsed the guidance on 16 September 2009. The guidance explains that the UK NCP will continue to investigate and/or determine a complaint brought under the Guidelines

whilst court proceedings (in the UK or abroad) are underway, unless it is satisfied that continuation of the complaints process is likely to cause serious prejudice to one of the parties to those proceedings and it is appropriate in all the circumstances that the process be suspended in part or in its entirety. The UK NCP considers that this approach to parallel legal proceedings will increase the effectiveness of the Guidelines and minimise the risk of excessive delays in the conclusion of individual complaints and corresponding uncertainty for the parties involved.

- **Follow-up to UK NCP Final Statements:** In September 2009 the UK NCP updated its complaints procedure to include a new phase to follow up on Final Statements. This was published on the UK NCP website in September 2009 having been formally endorsed by UK NCP Steering Board. The Follow-up procedure was used for the first (and so far only) time following the publication of the Final Statement on Survival International's complaint against Vedanta Resources plc. This involved the UK NCP asking both parties to provide by a specified date an update on the implementation by the company of the recommendations contained in the Final Statement. The UK NCP then published a Follow Up Statement reflecting the parties' responses on the UK NCP website in March 2010.

If the NCP disposes of surveys or statistics documenting companies' awareness of the Guidelines, do you wish to make this information available in your report?

- N/A.

What issues might deserve particular attention during the 2010-2011 implementation cycle of the OECD Guidelines separate from those that might be raised during an update? Please elaborate as appropriate.

- It would be helpful for the annual NCP report to be published much sooner after the annual NCP meeting in June. For example the annual NCP report for the period up to 30 June 2009 appears not to have been published yet. The longer the gap, the less useful the annual report becomes.

E. Looking back at the past ten years

What is your assessment of the functioning of your institutional arrangements in the past ten years? What were the main achievements? In what areas do you feel the greatest pressure for change and why?

- The institutional arrangements of the UK NCP have changed significantly over the last 10 years in provision of resources, with the most significant changes happening during 2005/06. Following criticisms of the effectiveness of the UK NCP, in 2005 the UK Government consulted on how to improve the NCP and published its response in July 2006. The UK Government implemented the changes undertaken to review the effectiveness of the changes set out in that document in consultation with stakeholders.
- One of the main changes following the review was the setting up of the UK NCP Steering Board, who held their inaugural meeting in May 2007, and have met quarterly ever since. The Steering Board which consists of 4 external members

representing the business sector, Unions, NGO/civil society and the All Party Parliamentary Group on the Great Lakes Region of Africa. Government Department representation on the Steering Board was reviewed in 2008, and now consists of representatives from 5 Government Departments, (BIS, FCO, DFID, ECGD and DWP) and it is chaired by a BIS senior official. The Steering Board provides the UK NCP with strategic guidance, but does not become involved in individual cases, except to review allegations of procedural failure.

- The Steering Board, and the inclusion of external members, have provided the impetus for improvements to procedures and have given additional credibility to the NCP process. There are now published procedures which aim to provide a fair and transparent process for handling complaints, and a pro forma for making complaints is now available on the NCP website. In line with the published process, the NCP has issued initial and final statements in all new cases it has received since the revamp. The timetable, requiring complaints to be completed within 12 months, remains a challenge but should continue to be the objective. There are also published procedures for carrying out reviews of the NCP's determinations on procedural grounds.
- During 2008 the Government agreed to commit additional resource to the NCP. During 2009 as a result of funding from DfID additional resources were committed to: facilitate the work of the NCP, particularly complaint handling; fund independent mediation in Specific Instances; undertake additional awareness-raising activities. The improvement in the performance of the NCP has been recognised by UK stakeholders, who have closely monitored the reforms to the UK NCP. This is reflected in the number of Final Statements published during 2008 (5 final statements involving Peugeot, Anglo American, Das Air, Afrimex and G4S), and 2009 (4 Final Statements involving Unilever and Vedanta).

How successful have you been in raising visibility, awareness and use of the Guidelines? What have been the greatest challenges? How have your promotional activities evolved as a result?

- Until resource increases in 2008 the NCP prioritised the completion of cases over promotion and awareness-raising of the Guidelines. However, since 2008 there has been a dedicated resource tasked with raising awareness of the Guidelines, an awareness-raising strategy was presented to the UK NCP Steering Board in June 2008, which has since been taken forward.
- The main tool for raising awareness of the Guidelines in recent years has been through the consistent development and update of the UK NCP webpages on the BIS website. Stakeholders are therefore able to access wide range of information from these pages including on: the complaints procedures; the Steering Board; cases; consultations; and other documents (e.g. the UK NCP booklet, a consultation document on the update of the Guidelines, parallel proceedings). During February 2010 there were nearly 1300 visitors to the UK NCP website. Government (UKTI, ECGD) and other organisations (CBI, TUC) have also added links on their sites to the UK NCP webpages.
- The business community, trade unions and NGOs are all represented of the UK NCP Steering Board and have been helpful in disseminating information to their

members, including all Final Statements. The Government members of the Steering Board (FCO, DFID, DWP, and ECGD) have also done likewise with their contacts and colleagues, both in the UK and overseas.

- The UK NCP booklet (which was updated in November 2009, and translated in French and Spanish in March 2010) gives a summary of the OECD Guidelines and the work of the UK NCP. This has proved to be very useful tool to raise awareness of the Guidelines, which the UK NCP has made available at various events, seminars, presentations, meetings, and for enquirers on request.
- More detailed information on NCP awareness raising work over the last 12 months is included in section B, so we have not mentioned this here.

What were the most important lessons learned or positive outcomes in handling specific instances? Did any of the challenges encountered relate to the areas singled out for special attention in the draft terms of reference for an update of the Guidelines [especially those described in paragraphs 26-28 of DAF/INV/WP(2010)1]? Please elaborate.

- A number of lessons have been learned by the UK NCP in handling specific instances, which also relate to the areas singled out for special attention in paras 26-28 in the draft TOR for an update of the Guidelines [DAF/INV/WP(2010)1]. The most useful one is the publication of the UK NCP complaints procedural guidance. This was developed in conjunction with the UK NCP Steering Board, following the 2005/06 review. This guidance was originally published in 2008 (and updated most recently in September 2009 to include a new section on the follow-up to UK NCP Final Statements) and provides clear and transparent procedures to assist the UK NCP to examine complaints brought under the Guidelines and to help parties to a complaint to understand the process. The guidance outlines the various stages of the UK NCP complaints process, with the objective of completing each Specific Instance within one year of receiving the complaint.
- Further lessons learned include using independent professional mediator for UK NCP cases; and the UK NCP's parallel legal proceedings guidance. These topics/issues are listed in more detail in response to question 2 in section D of this document. In addition, there are also published procedures for carrying out reviews of the NCP's determinations on procedural grounds. Lessons learned from experience of conducting Reviews can be considered by the Steering Board.

How do you view the opportunities for information exchange and peer learning, notably those provided by annual meetings of NCPs or meetings of the Working Party of the Investment Committee?

- The UK NCP has found the information exchange at the OECD meetings (and in the margins of these meetings) very useful and a good opportunity for NCPs to share best practice. In addition participation in the recent Peer Review of the Dutch NCP, proved to be a valuable learning opportunity for the members of the peer review team and the UK NCP has built up good working relationships with the other NCPs who participated in the review.

- It may be useful to improve the exchange of information between NCPs. This could be done by the OECD itself playing a more central role in communicating information about the Guidelines and sharing best practice. The OECD could consider developing and circulate a regular newsletter, (to be published possibly quarterly), which NCPs could feed into. (This might be especially useful for those NCPs who are not always able to attend all OECD meetings in Paris).

ANNEX 4: SPECIFIC INSTANCES CONSIDERED BY UK NATIONAL CONTACT POINT TO DATE (as of June 2010)

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	BP (et al.) – various alleged breaches of the OECD Guidelines in the construction of the Baku-Tbilisi-Ceyhan (BTC) pipeline.	2003	Azerbaijan, Georgia, Turkey	II.5 Exemption from Regulation, III.I Disclosure, V.I Environmental management, V.2a Information on environmental health/safety V.2b Community consultation, V.4 Postponement of environmental protection measures	Ongoing	n.a	At the request of the parties this case was reviewed by the UK NCP's Steering Board. The outcome of the review is available at: http://www.bis.gov.uk/nationalcontactpoint . As a result of the review the UK NCP will re-considering the original Final Statement
United Kingdom	Activities of Oryx Minerals alleged in a UN Expert Panel Report.	2003	Democratic Republic of Congo	This was not specified in the Panel Report	Concluded	Yes	See http://www.bis.gov.uk/nationalcontactpoint

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	Activities of De Beers in UN Expert Panel Report.	2003	Democratic Republic of Congo	This was not specified in the Panel Report	Concluded	Yes	See http://www.bis.gov.uk/nationalcontactpoint
United Kingdom	Activities of National Grid/Transco.	2004	Democratic Republic of Congo	Various	Concluded	Yes	See http://www.bis.gov.uk/nationalcontactpoint
United Kingdom	Activities of Avient	2004	Democratic Republic of Congo	This was not specified in the Panel Report	Concluded	Yes	See http://www.bis.gov.uk/nationalcontactpoint
United Kingdom	BAE Systems – issues related to disclosure of lists of agents.	2005	United Kingdom	VI(2) Combating bribery.	Ongoing	n.a	The complaint process has reached Final Statement stage.
United Kingdom	Airbus – issues related to disclosure of lists of agents.	2005	United Kingdom	VI(2) Combating bribery.	Ongoing	n.a	The complaint process has reached Final Statement stage.
United Kingdom	Rolls-Royce – issues related to disclosure of lists of agents.	2005	United Kingdom	VI(2) Combating bribery.	Ongoing	n.a	The complaint process has reached Final Statement stage.

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	DAS Air - alleged failure to apply due diligence when transporting minerals and alleged breach of UN embargo.	2005	Democratic Republic of Congo	II.1 Achieving sustainable development. II.2 Human rights II.10 Encourage business partners, including suppliers and sub-contractors, to apply principles of corporate conduct compatible with the guidelines.	Concluded	Yes	Finalised July 2008. Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .
United Kingdom	issues related to employees' right of representation.	2005	Bangladesh	IV. Employment and Industrial Relations.	Under review	n.a.	The UK NCP is considering the application of its parallel proceeding guidance to this complaint.
United Kingdom	Anglo American - issues arising from the privatisation of the copper industry in Zambia during the period 1995 -2000.	2005	Zambia	Various	Concluded	Yes	Finalised May 2008. Final Statement can be found at http://www.bis.gov.uk/nationalcontactpoint .

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	Peugeot - issues related to the closure of the Ryton manufacturing plant.	2006	United Kingdom	IV. Employment and Industrial Relations	Concluded	Yes	Finalised February 2008. Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .
United Kingdom	G4S - issues related to pay, dismissal, leave and health & safety entitlements.	2006	Mozambique Malawi Democratic Republic of Congo Nepal	II. General policies IV. Employment and Industrial Relations	Concluded	Yes	The UK NCP piloted the use of professional mediator for this complaint. Through mediation, the parties reached an agreement and resolved the complaint with a mutually satisfactory outcome. Final statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .
United Kingdom	Unilever (Sewri factory) – Employment issues related to the transfer of ownership, and subsequent closure, of the Sewri factory.	2007	India	I. Concepts and principles IV. Employment and Industrial Relations	Concluded	Yes	Finalised November 2009. Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .
United Kingdom	Afrimex - alleged payments to armed groups and insufficient due diligence on the supply chain.	2007	Democratic Republic of Congo	II. General policies IV Employment and Industrial Relations VI. Combating Bribery	Concluded	Yes	Finalised August 2008. Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	Unilever (Doom Dooma factory) - issues related to employees' right to representation.	2007	India	IV. Employment and Industrial Relations	Ongoing	n.a	Initial Assessment can be found at: http://www.bis.gov.uk/nationalcontactpoint . The status of this case was reviewed following the application of the UK NCP's parallel proceeding guidance.
United Kingdom	British American Tobacco – issues related to employees' right to representation.	2007	Malaysia	IV. Employment and Industrial Relations	Ongoing	n.a	Initial Assessment can be found at: http://www.bis.gov.uk/nationalcontactpoint . The status of this case was reviewed following the application of the UK NCP's parallel proceeding guidance.
United Kingdom	Unilever (Rahim Yar Khan factory) – dismissal of temporary employees seeking permanent status in the factory.	2008	Pakistan	II. General Policies IV. Employment and Industrial Relations	Concluded	Yes	Finalised August 2009 (through successful mediation). Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .

NCP concerned	Issue dealt with	Date of Notification	Host Country	Guidelines Chapter	Status	Final Statement	Comments
United Kingdom	Vedanta Resources – impact of a planned bauxite mine on local community.	2008	India	II. General Policies V. Environment	Concluded	Yes	Finalised in September 2009. Final Statement and Follow Up Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint . This was the first case where the UK NCP implemented a Follow Up process and issued a Statement based on the comments provided by the parties..
United Kingdom	Unilever (Khanewal factory) – issues related to work status of temporary employees.	2009	Pakistan	II. General Policies IV. Employment and Industrial Relations	Concluded	Yes	Finalised November 2009 (through successful mediation). Final Statement can be found at: http://www.bis.gov.uk/nationalcontactpoint .