

**UK NATIONAL CONTACT POINT
FOR THE OECD GUIDELINES FOR
MULTINATIONAL ENTERPRISES**

Final Statement following
agreement reached in complaint
from Americans for Democracy
and Human Rights in Bahrain
(ADHRB) against Formula One
Group companies

MAY 2015

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Background

OECD Guidelines for Multinational Enterprises

1. The Guidelines are voluntary principles for responsible business conduct in areas including employment, human rights and the environment. As an OECD member government, the UK is required to maintain a National Contact Point (NCP) to promote the Guidelines and to consider complaints that multinational enterprises based in the UK, or operating there, have breached the Guidelines.
2. The UK NCP is based in the Department for Business, Innovation and Skills (BIS) and funded by BIS and the Department for International Development (DfID). A Steering Board including members from business, trade unions and civil society has general oversight of the NCP.

UK NCP complaint procedure

3. The UK NCP complaint process is divided into the following stages:
 - a) Initial Assessment - Desk-based analysis of the complaint and the company's response to decide whether issues raised in the complaint merit further examination. **Accepting issues for further examination does not mean the NCP considers that the company has acted inconsistently with the Guidelines;**
 - b) Mediation or examination - If issues are accepted, the UK NCP offers conciliation/mediation to parties with the aim of reaching a settlement. If mediation is declined, or fails to achieve a resolution, the UK NCP examines the complaint further;
 - c) Final Statement – If a mediated agreement is reached, the NCP's Final Statement reports it. If there is an examination of the complaint, the Final Statement includes a clear finding by the NCP on whether the company is acting consistently with the Guidelines, and, if appropriate, recommendations on how the company can make its conduct consistent with the Guidelines;
 - d) Follow up – where an agreement between parties provides for it, or where the UK NCP makes recommendations, the UK NCP will approach parties at a specified date to request an update on implementation. The UK NCP then publishes a Follow-Up Statement recording parties' reports and any further conclusions.

More details of the NCP's process and statements are at <https://www.gov.uk/uk-national-contact-point-for-the-organisation-for-economic-co-operation-and-development-oecd-guidelines-for-multinational-enterprises>

Complaint from ADHRB and response by Formula One

4. The UK NCP received the complaint on 11th June 2014. It alleged that companies in the Formula One Group had failed to address human rights impacts associated with the Bahrain Grand Prix. The complainants asked the companies to disclose and discuss their human rights due diligence and noted that this should happen before the next Bahrain Grand Prix took place.
5. Formula One World Championship responded on behalf of the Formula One Group companies. The companies denied the alleged links to human rights impacts. The companies disclosed in their response some general information about their ethics policies and due diligence practices. They noted that they were unwilling to disclose additional information that was commercially sensitive.

UK NCP process in this complaint

Initial Assessment

6. The UK NCP's Initial Assessment accepted for further examination issues under the following provisions of the Guidelines:

Chapter II General policies

Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard:

A. Enterprises should:

7. Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.

10. Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 11 and 12, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.

13. *In addition to addressing adverse impacts in relation to matters covered by the Guidelines, encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct compatible with the Guidelines.*

14. *Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.*

Chapter IV Human rights

States have the duty to protect human rights. Enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

4. *Have a policy commitment to respect human rights.*

5. *Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.*

7. The UK NCP rejected further examination of issues in relation to a number of other obligations cited by the complainants under Chapter II and Chapter IV of the OECD Guidelines. Full details of the issues accepted and rejected are in the Initial Assessment published on 24th October 2014 at <https://www.gov.uk/government/publications/uk-ncp-initial-assessment-complaint-by-adhrb-against-formula-one-world-championship-ltd-and-related-companies>

Mediation

8. The UK NCP offered and both parties accepted mediation. The UK NCP appointed Dr Karl Mackie to serve as mediator. The parties met together with the mediator in London on 28th January 2015 and again on 8th April 2015.

Outcome of the mediation

9. On 10th April 2015, the parties informed the UK NCP that they had reached an agreement. The agreement was in the form of a joint statement which is attached as Annex A to this Final Statement.
10. The UK NCP advised the parties of the steps it would take to conclude the process (see Paragraph 12.)

UK NCP Conclusions

11. The parties reached an agreement and this is recorded in the joint statement attached at Annex A to this Final Statement.
12. The UK NCP's report of the agreement in this Final Statement concludes the process and closes the complaint. The UK NCP will not make any further examination of the issues accepted at Initial Assessment. The UK NCP will not make any Follow-Up Statement because the parties' agreement does not provide for it.
13. The UK NCP congratulates both parties for their engagement with the NCP process and their efforts in reaching an agreement.

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UK National Contact Point for the OECD Guidelines for Multinational Enterprises

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ANNEX A

Parties' joint statement:

Americans for Democracy & Human Rights in Bahrain (ADHRB) and Formula One entered into mediation in order to discuss the matters raised by ADHRB in its complaint under the OECD Guidelines for Multinational Enterprises ("Guidelines") to the UK Government's National Contact Point.

As a result of that process, Formula One Group has committed to taking a number of further steps to strengthen its processes in relation to human rights in accordance with the standards provided for by the Guidelines. Formula One also takes this opportunity to reaffirm its commitment to respect internationally recognised human rights. Formula One's written policy commitment to respect human rights is available at <http://www.formula1.com/content/fom-website/en/toolbar/legal-notice.html>.

ADHRB has agreed to stop further pursuit of its complaint and stated that it "welcomes this opportunity to engage on human rights issues in Bahrain".

Both parties would also like to thank the NCP and mediator for their work on this matter.

The participants in the mediation on behalf of ADHRB were Husain Abdulla (Executive Director of ADHRB), Nabeel Rajab (ADHRB Advisory Board Member) Ahmed Ali (ADHRB Advisory Board Member) and Sayed Ahmed Alwadaei (ADHRB Board Member).