



NATIONAL CONTACT POINT PORTUGAL RESPONSIBLE BUSINESS CONDUCT



DIREÇÃO-GERAL DAS
ATIVIDADES ECONÓMICAS

AN OVERLOOK AT

Recommendation on the Role of Government in Promoting Responsible Business Conduct

Objectives

Bring focus to
the role of
government in
promoting RBC



Raise the visibility
and impact of RBC to
a whole-of-
government level
within and outside
the OECD



Support awareness-
raising and
mainstreaming of RBC
standards at the national
level across ministries
and government
agencies, including with
non-Adherents



Increase visibility in
the international
business
community of what
governments are
doing to promote a
level playing field
for RBC



Structured around 6 key areas



Policies and
measures to
encourage RBC
across relevant
policy areas

Legal and
regulatory
framework that
enables RBC



Governments' role as
economic actors and in
their commercial activities

Stakeholder
participation in the
development and
implementation of RBC
policies



Access to
Remedy

Coordination of
government policies
and activities relevant
to RBC



Over the past decade, increasing pressure on companies to comply with international standards of Responsible Business Conduct (RBC) highlights the importance of governments in supporting the effective implementation of such standards and in developing a policy environment favorable to their promotion. Despite governments' efforts to integrate REC principles into their policies, the lack of policy coherence poses challenges for businesses and undermines the effectiveness of government action.

In order to address these challenges, the OECD Recommendation on the Role of Governments in Promoting RBC, adopted in December 2022, which provides principles and guidelines to guide government policies and promote RBC, was publicly announced in February 2023 during the OECD Ministerial Meeting dedicated to the topic of RBC.

This recommendation:

- Doesn't extend the scope of the OECD Guidelines or the OECD Due Diligence Guidelines
- Supports the mandate of the NCPs without making changes to it
- Clarifies the role of governments in promoting RBC

In its drafting, the recommendation took into account:

- Different OECD Decisions, Declarations, Recommendations, Conventions and Guidelines relevant to the promotion of RBC, in particular the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the OECD Due Diligence Guides
- International standards relevant to RBC:
 - United Nations' Guiding Principles on Business and Human Rights
 - International Labour Organization's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy
- The 2030 Agenda for Sustainable Development
- The uptake and disclosure of environmental, social, and governance (ESG) criteria in the market
- The National Action Plans for Responsible Business Conduct and National Action Plans on Business and Human Rights
- The role of the National Contact Points in promoting the RBC Guidelines and Policy Coherence

The Recommendation:

I. Aims to provide guidance for government policies that support and enable RBC, without modifying existing standards, developing new standards or addressing the categories of actors to which those standards apply.

II. Recommends that adherents develop and review legal and other regulatory frameworks to support RBC through appropriate frameworks in areas such as corporate governance, human rights, employment and industrial relations, environment, anti-corruption, consumer interests, science and technology, competition and taxation. Adherents should periodically assess these frameworks, addressing gaps and challenges and ensuring their effective implementation. Adherents **should identify and overcome barriers that impede the implementation of RBC standards, promoting coherence and addressing inconsistencies in laws and policies.** Alignment with RBC standards, especially with the OECD Due Diligence Guidance is crucial when developing policies, laws or regulations, especially when they are related to global supply chains, sustainable finance and non-financial risk disclosures.

III. Recommends that Adherents promote the RBC across relevant policy areas, including supporting the effective implementation of RBC standards, promoting RBC in trade and investment policies, integrating RBC into development cooperation efforts, clearly communicating expectations regarding RBC and considering companies' good faith engagement within NCP specific instances context when analyzing eligibility for government support. These actions should be guided by the OECD Due Diligence Guidelines to encourage compliance with REC standards.

IV. Recommends that Adherents lead by example by adopting measures to promote RBC, including **using public procurement as a tool for RBC, the incorporation of RBC into public procurement policy-making, and the promotion of due diligence for RBC in such procurement.** It is recommended to disclose clear expectations for public companies to comply with RBC standards, along with the implementation of effective mechanisms for their enforcement. Supporting the implementation of RBC standards involves integrating environmental, social and governance criteria into the provision and management of equity, debt, grants, loans, guarantees or insurance, while raising awareness of RBC standards among parties involved in applications for officially supported export credits.

V. Recommends that adherents foster stakeholder participation in the development and implementation of RBC policies through dialogue with the business sector, employers' organizations, workers' organizations, civil society, affected communities, academia and the interested public and by creating an enabling environment for effective stakeholder engagement, avoiding undue influence from narrow groups and facilitating collective initiatives to promote RBC. In this respect, NCPs should play a relevant role, considering national circumstances.

VI. Recommends that adherents promote access to remedy by ensuring that people affected by companies' non-compliance with RBC standards can access effective judicial or extrajudicial remedy mechanisms. In this context, it is essential to ensure that NCPs play a significant role in facilitating impartial, predictable, equitable resolution in line with the standards of the OECD Guidelines. Steps should be taken to ensure the trust of social partners and other stakeholders in NCPs, thus enabling NCPs to effectively fulfill their responsibilities.

VII. Recommends that adherents coordinate policies and activities relevant to RBC by promoting coherence between national government agencies and bodies. Support to NCPs to promote policy coherence is crucial, including informing governmental organizations about NCP statements and reports related to specific instances relevant to the policies and programmes of these agencies. International collaboration through international and regional organizations as well as multilateral development banks is recommended to promote policy coherence on RBC at the international level, in line with the OECD Guidelines and other international RBC standards.

VIII., IX. e X. Calls on the Secretary General, adherents and non-adherents to disseminate the Recommendation.

XI. The Investment Committee, through the Working Group on RBC, is instructed to function as a forum for sharing information on government policies for RBC. It should provide practical support and guidance to adherents in the implementation of the Recommendation by submitting periodic reports to the Council on the implementation and continued relevance of the Recommendation, with the first report to be submitted no later than five years after its adoption and subsequent reports every ten years.