

JOINT STATEMENT

The Nordic-Baltic Network of National Contact Points for Responsible Business Conduct

With this statement, the Nordic-Baltic Network of NCPs would like to underscore the added value of the NCPs in the international regulatory set-up on sustainability and responsible business conduct as well as to support the commitment by all OECD countries and adherent countries to ensure that NCPs are sufficiently equipped to be able to carry out the tasks required by the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (the Guidelines). This includes adequate resourcing and competences of each NCP, which is essential to achieve functional equivalence.

The Guidelines are recommendations jointly addressed by governments to multinational enterprises to enhance businesses' contribution to sustainable development and address adverse impacts associated with business activities on people, planet, and society. The Guidelines are supported by the NCPs, a unique implementation mechanism.

There are 51 NCPs globally. Their role is to further the effectiveness of the Guidelines and to do so in three main ways. First, the NCPs will make the Guidelines known and available through information and promotion. Second, the NCPs serve as a non-judicial grievance mechanism and handle specific instances concerning companies' alleged non-compliance with the Guidelines. Third, the NCPs may, where appropriate and in coordination with relevant government agencies, support efforts by their government to develop, implement, and foster policy coherence on responsible business conduct. In all activities, the NCPs will operate in a manner that is visible, accessible, transparent, accountable, impartial and equitable, predictable, and compatible with the Guidelines. These principles are the core effectiveness criteria of the NCPs. The objectives of these activities are - amongst others - to offer a forum for discussion and the NCPs' expertise on the Guidelines to assist and support the business community, worker organisations, NGOs and other interested parties in the implementation of the Guidelines, to facilitate and support dialogue between parties, as well as to provide guidance on resolving issues.

In the Nordic and Baltic countries, sustainable and responsible business conduct are issues that many enterprises and stakeholder organisations are interested in, not least because high quality performance in these areas is required by business partners in important markets for our businesses. With increased regulation and demand on multinational enterprises to integrate and report on responsible business practices, we have seen that NCPs can play a key role in increasing capacity and support enterprises in this journey. Several of the Nordic-Baltic NCPs also include stakeholder organisations in the NCP or its Advisory group. Some have regular dialogue and meetings with stakeholders. In this sense, a well-functioning NCP is not only essential for the effectiveness and authority of NCPs but can also be a resource for addressing the changing landscape of RBC priorities.

Adherents to the Guidelines have flexibility in organizing their NCPs, but the updated OECD Guidelines emphasize that Adherents have the responsibility to ensure that all NCPs will pursue functional equivalence, meaning that all NCPs function with an equivalent degree of effectiveness. Today, however, the NCPs do not only vary in institutional arrangements, but also in terms of effectiveness. According to [OECD's 2022 annual report on NCP activity](#), NCPs continue to struggle with limited and unstable human resources. 33% have less than one full-time equivalent staff resources, 70% experienced some form of staff turnover, while less than half (47%) have a dedicated budget. This is also the case for the eight Nordic-Baltic NCPs. Five do not have a dedicated budget, even

though some may have access to resources on demand. Three do not have full-time staff. Five do not have a promotional plan and three have not been able to promote the OECD Guidelines, although this is a main task for NCPs.

In the [Decision on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), adopted by the OECD Council at Ministerial level, all OECD countries and adherent countries have committed to provide their NCPs with the human and financial resources necessary for the NCPs to effectively deliver on its responsibilities in a way that fully meets the effectiveness criteria. Furthermore, all OECD countries and all adherent countries are encouraged to make such resources available to NCPs as part of a dedicated budget where appropriate. Minimum requirements for NCPs also include involving senior leadership, having sufficient access to expertise on the issues covered by the Guidelines and engaging with social partners where applicable, as well as representatives of the business community, worker organisations, non-governmental organisations, and/or other interested parties.

The Nordic-Baltic NCPs are all interested in doing more to promote responsible business conduct and support multinational enterprises in their respective countries, and strongly believe that this also is in the best interest of the business communities. The Nordic-Baltic NCPs will continue to engage with governments in the respective countries to maintain an active dialogue about the NCP mandate, resources and possible opportunities for strengthening their impact, as well as to ensure that their NCP is equipped with the human and financial resources and expertise necessary to provide an effective basis for dealing with the broad range of issues covered by the Guidelines.

The Nordic-Baltic Network consists of the NCPs in Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Network agrees on this statement.

Tallinn, 14 May 2024.