

Annual Report 2017

Activities of the Austrian National Contact Point

Reviewing 2017

Besides promotional activities, 2017 saw the revision of some items of the Austrian NCP's rules of procedure. For instance, the result of the first evaluation of any specific instance will be published in future. A form has been made available at the website of the Austrian NCP to facilitate complaints.

Grievance procedure

An agreement could be reached in 2017 in the complaint from several NGOs, accepted by the Austrian NCP in 2014, concerning the supply of hydropower turbines by ANDRITZ HYDRO GmbH for the hydropower plant Xayabury in Laos. The agreement includes the obligation of the parties to improve the situation of the local communities affected, to carry out due diligence under the OECD Guidelines in future projects and to revise corporate processes and standards. The parties will submit follow-up statements after one year on the measures taken.

The OECD Guidelines under Discussion

In 2017, the Austrian NCP organised a discussion forum on the topic of responsible business conduct and addressed specific thematic areas of the OECD Guidelines in two expert talks. In a roundtable with employees' representatives, the Austrian NCP discussed their role in contributing to the effectiveness of the OECD Guidelines. In addition, the Austrian NCP informed about the Guidelines in several stakeholder events.

Expert Talk 'Managing Global Responsibility'

On 24 Apr 2017, the Austrian NCP and External Trade Austria hosted an expert talk on the topic of due diligence at the Austrian Economic Chamber.

Following the words of welcome by Iris Hammerschmid from the Austrian NCP and Michael Zimmermann from External Trade Austria / International Project Network, Tyler Gillard, Head of Sector Projects / OECD Responsible Business Conduct Unit, defined the framework for the OECD's due diligence recommendations, which extends across business relationships to suppliers and sub-suppliers. Beatrix Praeceptor, Chief Procurement Officer of the Mondi Group, described the requirements to be met by the packaging and paper group in terms of sustainability and how aspects of sustainability were implemented in their supply chain.

In the subsequent workshop, participants from business, administration and civil society focused on various aspects of due diligence and their place within a practical business context. They were asked to identify concrete risks of sustainability in the presented scenarios as well as any potential contraventions of the thematic areas of the OECD Guidelines. Participants discussed the approaches to purchasing strategic and non-strategic materials and demonstrated the possible consequences of ignoring this issue.

Expert Talk 'Dialogue with Major Impact'

The dispute settlement mechanism set out in the OECD Guidelines was addressed in the second expert talk on 30 May 2017 at the Federal Ministry. Iris Hammerschmid was joined by Alex Kunze from the Swiss National Contact Point and Kirstine Drew from the Trade Union Advisory Committee to the OECD (TUAC) to explain to the roughly 20 participants from business, administration and civil society the objective, procedure and significance of this mechanism.

Alex Kunze used two specific instances to highlight the approach by the Swiss National Contact Point. If the NCP decides to start proceedings, it will require that parties sign a written Mediation Agreement, which creates the appropriate framework for confidential and frank discussions amongst the parties. The major challenge identified by Kunze is the duration of proceedings of one year as set out in the Guidelines. The so-called follow-up, introduced by the Swiss NCP as a standard procedure, helps reach an agreement.

Kirstine Drew underscored the broad range of thematic areas covered by the Guidelines and the neutral forum for dialogue established through the dispute settlement mechanism for enterprises, trade unions and NGOs, thus pinpointing the strengths of the Guidelines and identifying this aspect as the reason for the trade union movement's commitment to them. She urged the National Contact Points and the social partners to join forces to increase awareness and enhance application of the OECD Guidelines.

Roundtable with Employees' Representatives

On 30 May 2017 the Austrian NCP invited employees' representatives of internationally operating Austrian enterprises to an exchange of experience on the development of corporate responsibility and the contribution likely to be made by the OECD Guidelines in this context. Iris Hammerschmid, Kirstine Drew and Rolf Beyeler, delegate of the Swiss Federation of Trade Unions to the Advisory Board of the Swiss National Contact Point, discussed with the ten participants of the roundtable how employees' representatives can actively contribute to the application of the Guidelines at company level.

Discussion Forum 'Responsibility in International Business between Theory and Practice'

The roundtable was followed by a discussion event on 2 Oct 2017, organised in cooperation with the Federation of Austrian Industry (IV). Interested parties from business, administration and academia debated how enterprises could combine CSR guidelines, reporting obligations and stakeholder requirements into a convincing sustainability strategy.

Christian Friesl, Director of Education and Society of the IV, referred to the growing relevance of social issues in trade and investment policies. Director General Bernadette Marianne Gierlinger, Head of the Center for External Trade Policy & European Integration in the Federal Ministry, stressed that almost every company was required to think globally in matters of corporate responsibility.

This was followed by a panel discussion including Tabea Sieberth, German Council for Sustainable Development, Matthias Leisinger from the international consulting firm twentyfifty, Manfred Schekulin, Head of the Export & Investment Policy Division of the Federal Ministry and Chairman of the OECD Investment Committee, Christine Paschoalique, Sustainability Officer at Wienerberger, the world's largest producer of bricks, and Sylvia Tuin from the Dutch National Contact Point. The panel agreed that the

creation of a proactive sustainability management system was worth the effort. Matthias Leisinger said that its benefits included simplification and savings potential and improvement of product quality, while Tabea Siebertz stressed the need for patience in efforts to integrate sustainability into business conduct. Christine Paschoalique confirmed: 'Making each business unit aware of the entire value chain was a learning process for the whole company.'

Iris Hammerschmid highlighted the role of National Contact Points in terms of mediation and conciliation platforms helping to reach agreement in complex issues.

Participation of the Austrian NCP in Stakeholder Events

The Austrian NCP informed about the OECD Guidelines and the dispute settlement mechanism of the National Contact Points at the following stakeholder events:

- corporAID Multilogue on responsible design of relationships with employees and suppliers on 9 May 2017 at voestalpine/Linz.
- 'Globalised business – globalised responsibility' organised by NeSoVe on 15 May 2017 in Vienna.
- Visit by a Georgian delegation of representatives from government and parliament organised by the Embassy of Georgia on 6 July in Vienna.
- Lecture for the 'Academic CSR Manager' study programme on 29 Sep 2017 at the BFI university of applied sciences in Vienna.
- PORR workshop on risk and impact analyses of environmental, social and employee concerns on 5 Dec 2017 at PORR/Vienna.

Brochures and Information Material

- **The Austrian National Contact Point**
This brochure is available in English and German. It informs about the thematic areas of the Guidelines, the functions of the Austrian NCP and the activities undertaken by the Austrian NCP in the period 2015-2017.
- **Annual Report 2016**
Available in English and German, the Annual Report 2016 provides an overview of the Austrian NCP's activities in that year.
- **Leaflet on the OECD Guidelines for Multinational Enterprises**
This basic information on the Guidelines, the Austrian NCP and the grievance procedure is now also available in 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.

Business Survey

In autumn 2017, Austrian companies were surveyed on the awareness and application of the Guidelines. The survey confirmed widespread visibility of the OECD Guidelines. The companies showed interest in the following subjects: due diligence, prevention of human rights violations along the value chain, promotion

of responsible business practices and enforcement of social and environmental standards in international business.

Knowledge Sharing and Networking

Beyond its efforts to improve the visibility and effectiveness of the OECD Guidelines, the Austrian NCP participated in peer learning activities and other international exchange meetings.

OECD Peer Review of the Austrian NCP

In the second half of 2017, the first OECD peer review of the Austrian NCP took place. Following the communication of information material from the Austrian NCP and its stakeholders to the OECD, the review team arrived in Vienna for an on-site visit scheduled for 14 and 15 Dec 2017. The team included members of the OECD Secretariat and representatives of the National Contact Points in Germany, Finland and Sweden. Eight panel meetings with the Austrian NCP and more than 40 stakeholders were held. The peer review focused on the visibility and reputation of the Austrian NCP, the information material published by and accessibility of the NCP. In addition, specific instances and the promotion of policy coherence with the OECD Guidelines in Austria were discussed. Based on the inputs collected, the OECD Secretariat compiles the Peer Review Report. Its findings are expected to be published by the end of 2018.

NCP Exchange Meetings and International Conferences

The Austrian NCP regularly participated in meetings of the OECD Working Party on Responsible Business Conduct and in meetings of the Network of National Contact Points. On 25 and 26 Sep 2017, the Austrian NCP was present at a mediation workshop of the US NCP in Washington, which focused on the preparation of the various steps of a mediation procedure and the use of mediation techniques in different contexts. The UN Forum on Business and Human Rights in Nov 2017 in Geneva included a panel dedicated to the lessons learned from the OECD NCP peer review process, during which the Austrian NCP reported on its experiences as an observer during the OECD peer review of the German National Contact Point.