

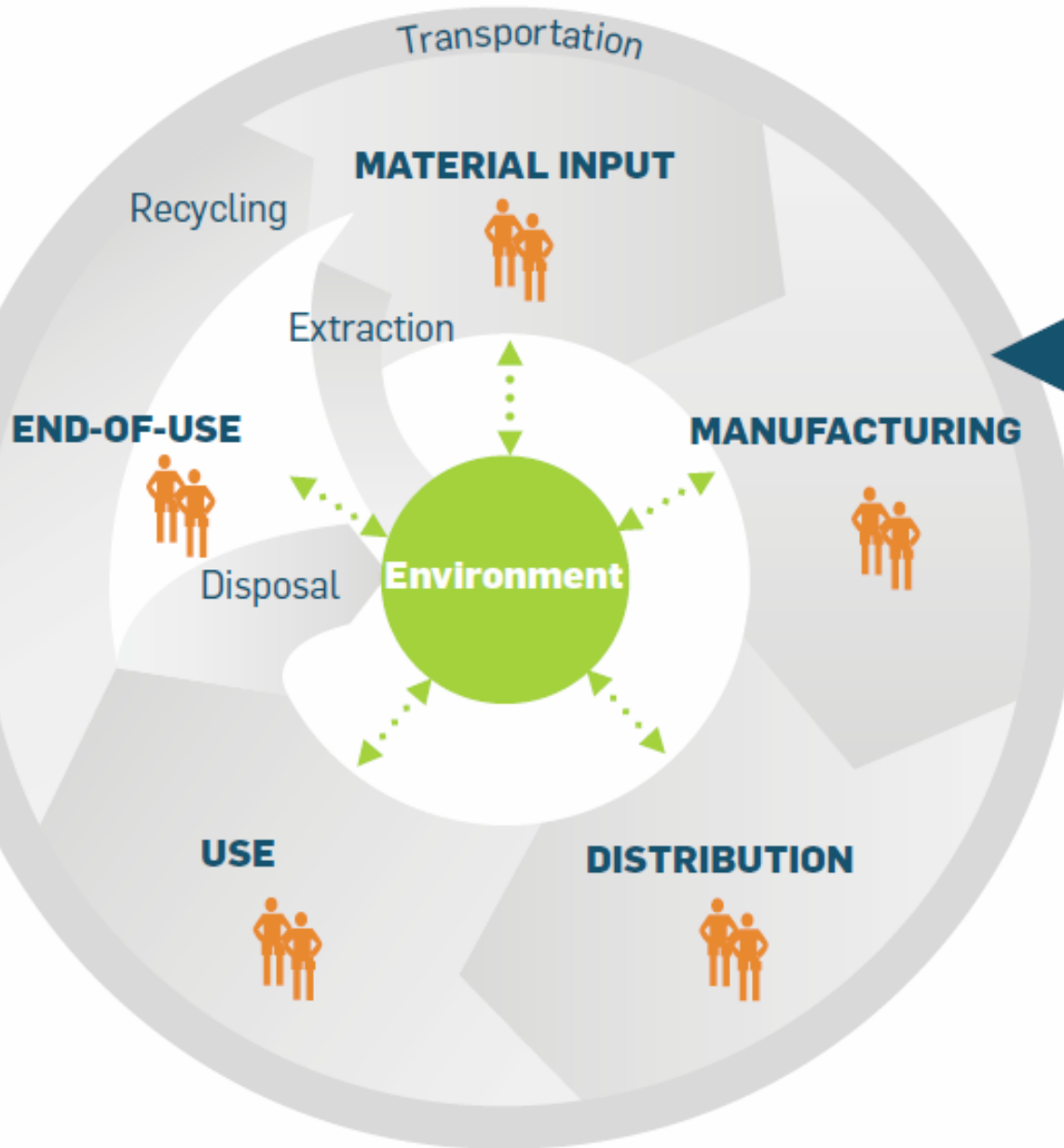
Possible implications for the update of the OECD Guidelines for Multinational Enterprises: *A review of concepts*

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Responsible Supply Chain Management:

what are the boundaries? from what point of view? covering which issues?



At every stage in the life-cycle of specific products there are social and environmental impacts, or externalities, on the environment and on people. In addition, governance, or the accountability of organizations to their stakeholders for their conduct, is important at every stage throughout the supply chain.

Components of Comprehensive Guidance

- Assessment
- Prioritization
- Management

Investment Nexus

- Definition: MNEs' practical ability to influence the conduct of their business partners based on the existence of an investment-like relationship



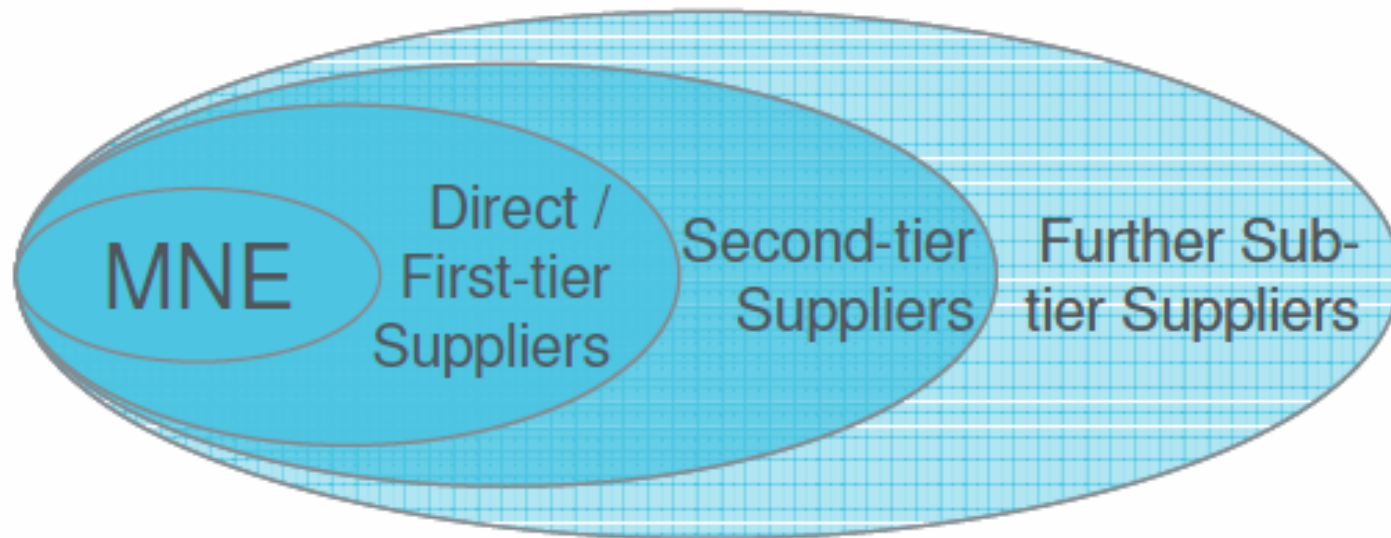
BETTER WORK

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Sphere of Influence

- Definition: range/extent of political, contractual, economic or other relationships through which an organization has the ability to affect the decisions or activities of individuals or organizations



Impact

- Definition: positive or negative change to society, economy, or the environment, wholly or partially resulting from an organization's past and present decisions and activities.



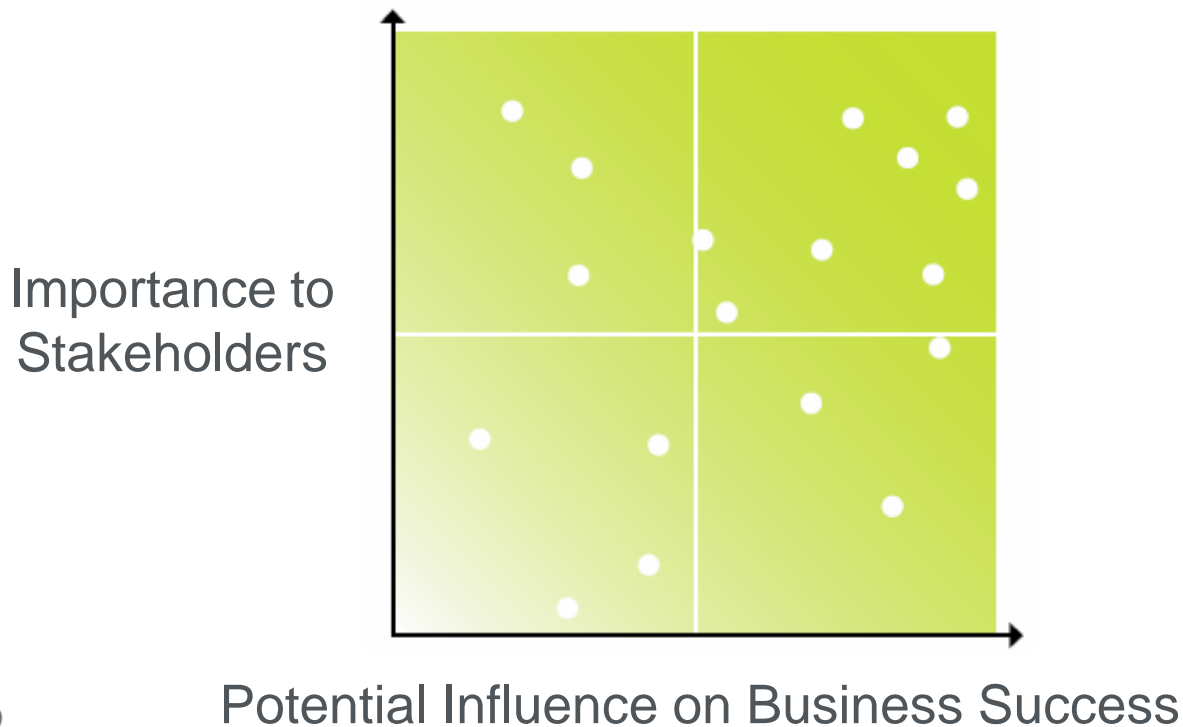
Due Diligence

- Definition: comprehensive, proactive process to identify the actual and potential negative social, environmental and economic impacts of an organization's decisions and activities, with the aim of avoiding and mitigating those impacts



Materiality

- Definition: the prioritization of risks and opportunities based on two criteria: importance to stakeholders (as a proxy for impact on society) and potential impact on business success

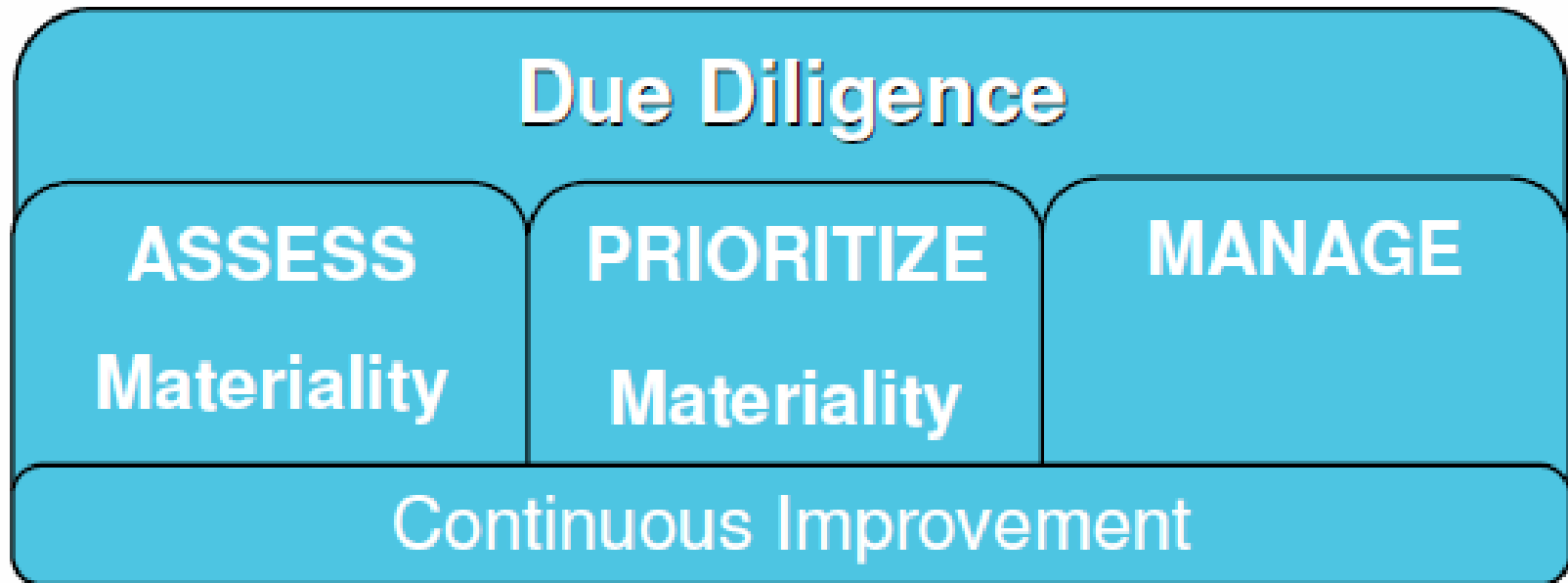


Continuous Improvement

- Definition: a process that identifies opportunities for performance improvement and facilitates their realization through the use of metrics, process development methodologies / approaches, project management principles, and reporting tools that support strategic and business plans



Recommended Framework



Options for Updating the Guidelines

- *Option 1:* Revise the tenth General Policy and associated Commentary.
- *Option 2:* Revise only the Commentary associated with the tenth General Policy.
- *Option 3:* Revise the Commentary on Disclosure, Employment and Industrial Relations, Environment, Combating Bribery, Consumer Interests, and Science and Technology.
- *Option 4:* Revise the Commentary on Disclosure, Employment and Industrial Relations, Environment, Combating Bribery, Consumer Interests, and Science and Technology in combination with Option 1 or 2.
- *Option 5:* Add a special annex on the responsibilities of MNEs in applying the Guidelines to supply chain relationships.

Role of NCPs?

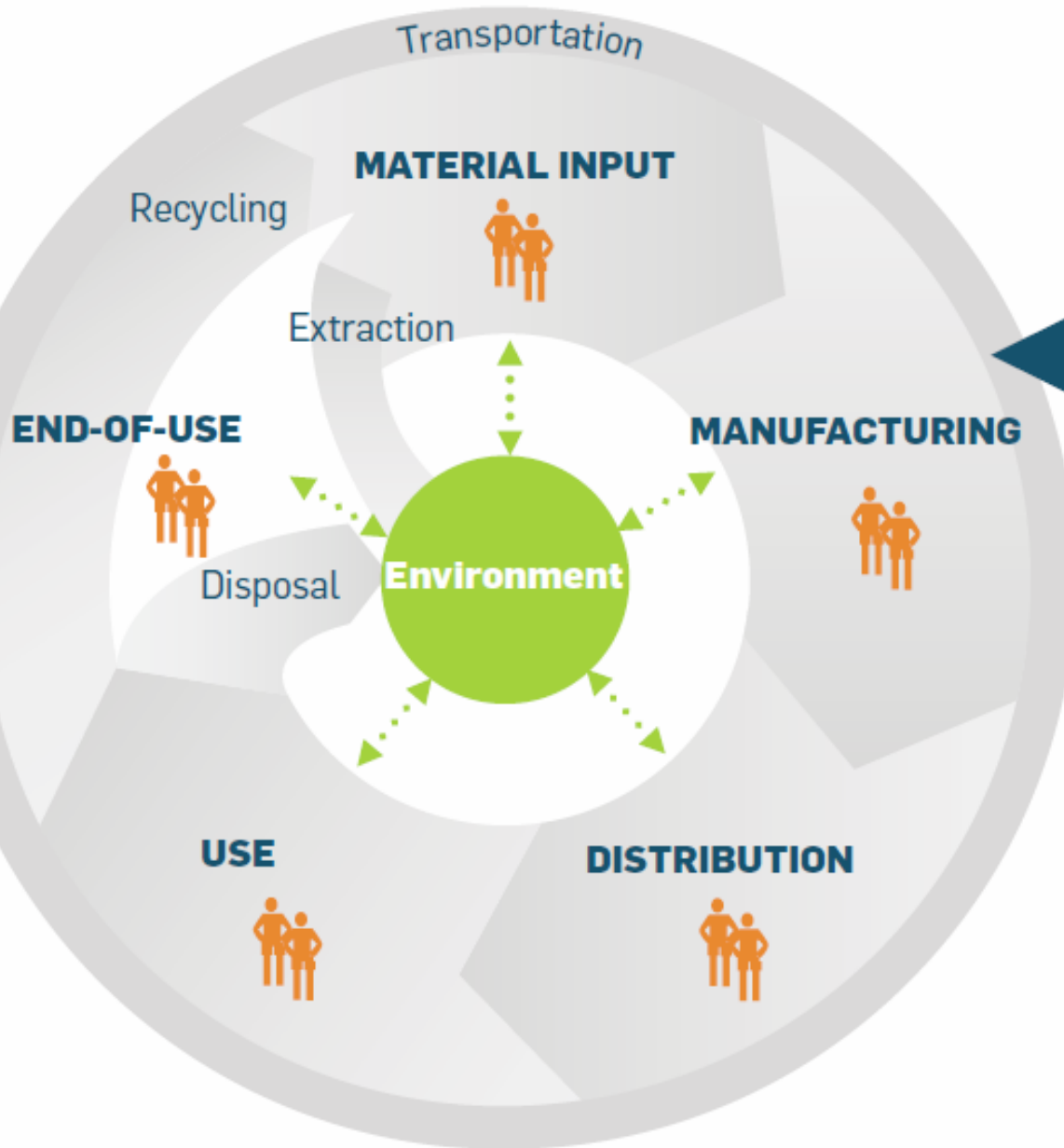
EDUCATE

ENGAGE

EXPAND

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