



LUXNCP 2023 ANNUAL REPORT

We are pleased to present Luxembourg's National Contact Point for Responsible Business Conduct's (LuxNCP) 2023 Annual Report, which provides an overview of our activities throughout the year. We extend our gratitude to all stakeholders who contributed to our activities during the year. We are available to discuss the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (Guidelines) and the work of the LuxNCP with your organization and sector.

INTRODUCTION

2023 was a landmark year for the responsible business conduct (RBC) community. A key highlight was the release of the <u>updated OECD Guidelines</u> in June 2023, which significantly enhanced global RBC standards. LuxNCP actively participated in the stocktaking and update process and undertook substantial efforts to disseminate the new guidelines through various promotional activities, including announcing the updated Guidelines via <u>a press release</u>, presenting at the <u>Benelux Parliamentary Assembly</u>, and engaging in numerous stakeholder <u>events</u> throughout the year.

Another notable event was the OECD's first Ministerial Meeting dedicated to RBC in February 2023. LuxNCP accompanied the Minister of the Economy who represented Luxembourg and chaired the session on sustainable finance. The RBC Ministerial concluded with the adoption of the Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy, emphasising RBC's importance for global economic resilience and sustainability. The declaration furthermore highlighted policy priorities such as climate action and digitalization and stressed the important role of National Contact Points (NCPs) in implementing RBC standards.

In January 2023, LuxNCP held a <u>consultation meeting</u> with stakeholders, which led to the adoption of our <u>promotional plan</u> based on the feedback received. Another <u>consultation meeting</u> was held in October 2023 to review and update our efforts. These meetings complemented various other events aimed at engaging with our stakeholders.

In 2023, LuxNCP handled one complaint transferred from the Dutch NCP, which <u>concluded</u> in early 2024.

The <u>publication of our peer review report</u> in September was another significant milestone for LuxNCP. The findings and recommendations from the peer review were presented at <u>a press conference</u> held by the Minister of Economy. Thank you again to the peer reviewers – the NCPs of Iceland, Latvia and Switzerland and the OECD Secretariat - as well as all the stakeholders participating in the process. The recommendations will guide our work over the coming years.

LuxNCP also contributed to international peer learning by participating in the peer reviews of other NCPs. In February, we joined Swedish and Romanian counterparts to review the Czech Republic's NCP. Later, in November, we collaborated with the Peruvian NCP to review Turkiye's NCP. We extend

gratitude to the reviewed NCPs for their hospitality and to the participating NCPs and the OECD Secretariat for their collaboration.

INSTITUTIONAL ARRANGEMENTS

STRUCTURE, LOCATION AND COMPOSITION OF THE NCP

LuxNCP was created in 2000. It was not established by a specific legislative, regulatory, or administrative instrument. It is organized as a "single agency," which means that the PCN is attached to a single competent ministry or government body, namely the Ministry of Economy. The PCN team is composed of two full-time senior civil servants.

An informal advisory body consisting of representatives of the Ministry of Foreign and European Affairs, Ministry of Finance, and Ministry of Labour could be called upon to advise the NCP on an adhoc basis on handling specific instances or questions of principle. This ad-hoc body does not provide oversight of NCP activities.

HUMAN AND FINANCIAL RESOURCES

The NCP staff consists of two full-time members. Although LuxNCP does not have a dedicated budget, financial resources for promotional activities and other necessary expenditures are allocated on an ad-hoc basis from the budget of the Ministry of the Economy. This approach allowed us to organize and participate in various events throughout the year.

REPORTING

LuxNCP reports to the Minister of Economy, whose reporting to the Parliament includes the NCP activities.

Other transparency requirements relevant to the NCP's work include, « Loi du 14 septembre 2018, relative à une administration transparente et ouverte » and « Convention d'Aarhus sur l'accès à l'information, la participation du public au processus décisionnel et l'accès à la justice en matière d'environnement ».

The NCP also reports annually to the OECD Investment Committee, which has established the NCP system originally.

INFORMATION AND PROMOTION

AWARENESS RAISING AND PROMOTIONAL ACTIVITIES

In 2023, LuxNCP organized or co-organized a total of six events and participated in 17 events organized by other entities, aimed at promoting RBC. These events were designed to engage and inform a diverse range of stakeholders, including the business community, non-governmental organizations, national human rights institutions, academia, as well as various Ministries and administrative agencies.

Throughout the year, we responded to numerous queries from the press and contributed to replying to parliamentary questions on responsible business conduct.

NCP WEBSITE AND SOCIAL MEDIA

LuxNCP maintains an updated website accessible through this link. The website provides comprehensive information on the OECD Guidelines, due diligence guidance, and the NCP's role and mandate. It also includes details on how to submit a specific instance, the NCP's rules of procedure, and final statements and other documentation on concluded cases. The website is available both in French and in English.

LuxNCP has an official X account under the handle @OECD_NCP_Lux, aiming to enhance its outreach and engagement with stakeholders.

SPECIFIC INSTANCES (COMPLAINTS)

NCP RULES OF PROCEDURE FOR HANDLING SPECIFIC INSTANCES

LuxNCP has established rules of procedure for handling specific instances, which are available on its <u>website</u>. In 2023, these procedures were updated to enhance clarity and predictability, following recommendations from the peer review report.

REPORTING SPECIFIC INSTANCES

LuxNCP received one specific instance submission in 2023, which was concluded in early 2024. Details of the case were reported to the OECD Secretariat and published on LuxNCP's <u>website</u>.

The current OECD database of specific instances accurately reflects the cases handled by LuxNCP.

PEER LEARNING AND PEER REVIEWS

LuxNCP engaged in peer learning and review activities in 2023. It continued participating in the OECD Working Party for RBC and NCP Network meetings in 2023. Additionally, LuxNCP joined the regional NCP network with Belgium, France and the Netherlands, holding meetings with these colleagues to exchange best practices and strengthen collaboration.

LuxNCP also participated in the peer reviews of other NCPs. In February, LuxNCP, along with Swedish and Romanian counterparts, reviewed the Czech Republic's NCP. Similarly, in November, LuxNCP, with the Peruvian NCP, conducted a peer review of Turkiye's NCP. Both peer review processes, facilitated by the OECD Secretariat, involved interviews with NCP representatives, government officials, and stakeholders. LuxNCP extends gratitude to the reviewed NCPs for their hospitality and to the participating NCPs and the OECD Secretariat for their collaboration.

POLICY COHERENCE

In 2023, LuxNCP continued participating in inter-ministerial forums addressing RBC and business and human rights issues, including the Interministerial Committee on Human Rights, the Interministerial Committee on Due Diligence, and the Working Group on Business and Human Rights. The members of LuxNCP have indirectly but actively contributed to the development of the European Directive on Corporate Sustainability Due Diligence (CSDDD) through their analysis and comments, which were relayed to the negotiators in Brussels. This has been a major focus of the Interministerial Committee on Due Diligence in 2023.

TRAININGS

LuxNCP staff participated in various training activities in 2023, including an online course on dispute resolution for NCPs, running from December 2022 to March 2023. This program included webinars,

self-paced study, and mock mediation exercises, focusing on mediation skills and online dispute resolution tools and techniques.

In addition, LuxNCP members attended brown bag sessions co-organized virtually by the International Labour Organization (ILO) and the OECD, covering advanced labour issues such as safe working environments, elimination of violence and harassment in the workplace, and dispute resolution mechanisms.

LuxNCP staff attended a specialized training on international labour standards (ILS) in Turin, Italy, from 26 to 28 June 2023. This course covered labour rights, policy coherence, and the role of ILS in the OECD Guidelines.