

Ms Eleanor Reid  
Department of Trade and Industry  
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1 Victoria Street  
London  
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06 January 2006

**Dear Eleanor**

**Re: Stakeholder consultation document on the UK National Contact Point's promotion and implementation of the OECD guidelines for Multinational Enterprises**

Rolls-Royce is supportive of the OECD Guidelines for Multinational Enterprises ("the Guidelines") and welcomes the opportunity to contribute to the consultation process. Our responses to each of the twelve questions are detailed below.

**Question 1**

The steps outlined in **A 1.**, **A 2.** and **B 3.** are all sensible ways of raising the profile of the Guidelines, particularly the establishment of an e-mail notification list for website updates.

**Question 2**

It is important to re-confirm to the parties to the process what the role of the NCP is, i.e. to facilitate and promote dialogue. In our limited experience of the process there had been no dialogue between the parties before the NCP was involved, giving the impression that the NCP was the first port of call rather than a last resort. The complainant should be required to demonstrate to the NCP that a dialogue has at least been attempted. Only when this has failed should the NCP become involved.

It is also important for the NCP to determine at an early stage whether or not the issue is indeed covered by the Guidelines.

The points relating to parallel processes in paragraph 7 of the consultation document are well made and we would support this view.

**Question 3**

Currently complainants may publicise their claims up until the point that the NCP accepts the complaint and confidentiality only applies to the process subsequent to the acceptance. It is important to uphold the principle of confidentiality throughout the

process as even unfounded complaints can inflict reputational damage. It is not clear what the sanction would be for breaching confidentiality although it could be taken into account should the offending party bring further complaints to the NCP.

We also understand that the UK NCP may share information relating to complaints with other NCPs in order to inform a consistent response within the OECD. It is important that any information that is shared is subject to the same degree of confidentiality undertaking as it would be within the UK. Our concern here is that local law may oblige the recipient NCP to release information in circumstances where there would be no such legal obligation within the UK. If a 'recipient' NCP cannot guarantee to apply the same confidentiality standards as the UK then we would suggest that information should not be shared with them.

#### **Question 4**

It is clearly difficult to set rigid timescales when it may be difficult for a party to easily access the information necessary to conclude the process. However most complaints should be resolved within twelve months of being submitted to the NCP and we would suggest that this is implemented as a backstop date.

#### **Question 5**

If the NCP reasonably believes that the delaying party is unlikely to respond then, following discussion with the other party, a summary finding should be issued.

#### **Question 6**

The issuance of interim statements does not sit well with the concept of maintaining confidentiality until the process has concluded unless, of course, all parties agree to it at the time.

#### **Question 7**

We have no suggestions for additional issues to be addressed in the concluding statements.

#### **Question 8**

The recommendations given to all the parties in a specific instance should always bear in mind that the Guidelines offer voluntary guidance.

#### **Question 9**

It would be helpful for the NCP to assert an opinion on aspects of a complaint that it considers to be unfounded, frivolous or vexatious.

#### **Question 10**

The NCP should comment on the willingness of the parties to a specific instance to engage constructively.

#### **Question 11**

As per our response to question 3, we feel strongly that the confidentiality requirement should be extended to cover all stages of a complaint and that interim statements should only be made with the consent of all parties.

**Question 12**

As the Guidelines offer voluntary guidance it is difficult to see how a real sanction could be imposed by the NCP upon a party breaching the confidentiality requirement. The NCP could issue a statement outlining the situation and reprimanding the breaching party. If the party continues to fail to comply then the specific instance process should be halted by the NCP and a summary statement issued explaining the circumstances.

We hope that these answers are self-explanatory but if you require clarification of any of the points made please do contact us.

Yours sincerely

Sue M. Walton  
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