

23 September 2013

## **National Contact Point statement – Swedwatch’s complaint regarding Mölnlycke**

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### **The matter**

On 9 April 2013, Swedwatch filed a complaint against Mölnlycke with the Swedish National Contact Point. In its complaint, Swedwatch claims that workers and trade union members were dismissed or suspended from their jobs at Mölnlycke’s factories in Thailand following what the company claims were illegal strikes. According to Swedwatch, the company has not respected the OECD Guidelines, Chapter V, Employment and Industrial Relations (points 1, 3, 4 and 7) and Chapter I, point 2 (see attached link to the complaint). According to Mölnlycke, some information in the complaint is incorrect (see attached link to the company’s reply).

Mölnlycke has rejected the allegations and maintains that it was responding to an illegal strike and that a court decided in its favour. According to Mölnlycke, the dispute is now over as the parties have reached a legally binding settlement in court that all parties involved have considered acceptable.

### **The complainant**

Swedwatch is a voluntary association and non-partisan research organisation which aims to reduce social and environmental anomalies connected with the activities of Swedish corporations in developing and low-income countries. Swedwatch is not a direct party in the complaint in that it does not formally represent the employees, but on the basis of its activities considers that it has an interest in principle in the events between Mölnlycke and the company’s employees in Thailand.

### **Assessment of the National Contact Point (NCP)**

The National Contact Point has made the assessment that the submission is permissible under the OECD Guidelines, but that the workplace dispute concerning the dismissed workers and trade union members is now over as the workers have agreed to a settlement.

In addition, a social dialogue has begun between the local company management and the local branch of the trade union. In light of these measures, the NCP considers that there is no reason to formally take on the complaint at the present time. As far as the NCP is concerned, the key issue is that Mölnlycke has started work to strengthen consultation between employers and employees according to the OECD Guidelines for Multinational Enterprises. The NCP encourages the parties to continue this dialogue. In this context, it may be noted that IF Metall and Unionen, both of which are represented in the Swedish NCP, have been involved in facilitating dialogue between the parties, i.e. the unions and employers in Thailand.

With regard to Mölnlycke's continued social dialogue work, NCP wants to particularly emphasise Chapter V, point 2 (a–c) of the Guidelines, which concern relations between the social partners and the conditions for trade union activities and a good social dialogue:

- 2(a) Provide such facilities to worker's representatives as may be necessary to assist in the development of effective collective agreements;
- 2(b) Provide information to workers' representatives which is needed for meaningful negotiations on conditions of employment; and
- 2(c) Provide information to workers and their representatives which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole.

Even if the NCP does not formally take on the case, it will follow developments ensuing from this dialogue. At the present, however, the NCP feels that the parties themselves should follow through on the work that has been initiated. The NCP looks forward to a report from Mölnlycke during the autumn on how the dialogue has evolved. The focus of the NCP's work is primarily forward-looking in nature with the aim of arriving at a constructive solution. In this context, however, the NCP wishes to emphasise how important it is that the OECD Guidelines for Multinational Enterprises are respected and to point out that the Guidelines go beyond compliance with national legislation, and that awareness of the Guidelines is increased, not least at local level. Companies and trade unions can play an important role in this.

**Background: National Contact Point**

All countries adhering to the OECD Guidelines for Multinational Enterprises undertake to support and promote the Guidelines by setting up National Contact Points. The Swedish NCP is a three-party cooperation between the State, the business sector and employee organisations. The State is represented by several ministries at the Government Offices.

Meetings of the NCP are convened by the Ministry for Foreign Affairs. The business sector is represented by the Confederation of Swedish Enterprise and the Swedish Trade Federation, and employee organisations by the Swedish Trade Union Confederation, the Swedish Confederation of Professional Associations, the Confederation of Professional Employees, Unionen and IF Metall.

The NCP cannot reconsider court decisions, has no legal authority and cannot impose sanctions. The main task of the Contact Point is to promote company compliance with the Guidelines and to contribute to solving problems in individual cases through dialogue and discussion.