

# MANIFESTO

## PRINCIPLED PROFITS

### Guidelines for responsible business behaviour

**D**uring the Spring of 2001, the Dutch government and parliament will discuss the public responsibility of Dutch companies. This manifesto addresses the issue of responsible business behaviour by Dutch companies outside the Netherlands. It reflects the views of non-governmental organisations promoting sustainable development and defending worker rights and human rights.

**O**ur vision: foreign businesses controlled by Dutch companies will abstain from using child labour, will respect union rights, and will offer equal opportunities to women and workers recruited from minority groups. Also, they will ensure that workers at supplier companies receive a decent pay and that these suppliers will respect the environment and the human rights of local communities. It is our firm conviction that this can and must be done.

**A**cross the world, corporations have become a key driving force in society. As leading players in society, they should also develop a greater sense of responsibility and accountability towards society. Responsible corporate behaviour means living up to agreed values and standards. This implies upholding the laws of the land and - whenever these are absent, insufficiently implemented and/or below international standards - the internationally accepted treaties with regard to worker rights, human rights, and the environment. Neither should corporate activity lead to (an increase in) human rights abuse, especially in case of armed conflict. Accountability implies that citizens (and consumers) are entitled to adequate information on the ethical, social and environmental effects of corporate activities, products and services - thus enabling them to make informed and responsible choices.

**T**he Dutch government has signed many international treaties on worker rights, human rights and the environment. It therefore has an obligation to do its utmost to ensure that internationally operating companies honour these values and standards. This implies an active role on the part of the government in its legislative, regulatory and supervisory capacities, including issuing rules on accountability. In addition, the government can promote responsible corporate behaviour by acting as 'best practice consumer', by exercising its influence as a shareholder in companies and by taking corporate behaviour into account when allocating subsidies. Furthermore, the government should actively support businesses and non-governmental organisations (NGO's) seeking to promote the principles of socially responsible corporate behaviour. In areas where it is not directly involved as a legislator or supervisor, the government should clarify corporate obligations and how companies themselves can fulfil these obligations through mechanisms such as reporting, external supervision and customer charters.

**W**e do not call for highly detailed government intervention or supervision. Responsible behaviour is the prime responsibility of companies themselves. The report issued recently by the Dutch government advisory body on social and economic affairs (SER) rightly states that socially responsible behaviour should be part of every company's 'core business'. In addition to honouring internationally accepted standards, companies should be ready to enter into a dialogue with stakeholders if new developments and / or insights call for such standards to be extended or adjusted.

**C**ONSEQUENTLY, WE URGE THE DUTCH GOVERNMENT TO ACT:  
As a legislator and regulator

- **T**ake every possible initiative to promote **active international policies** furthering socially responsible trade and industry - notably at the United Nations, the European Union, the IMF and World Bank - and support programmes designed for that purpose. It is of crucial importance to involve governments and non-governmental organisations, including trade unions, of **developing countries in the debate on the necessary regulation and incentives, and to support them in moving forward in these areas.**
- **T**ake all possible steps and seek broad support in order to arrive at **internationally binding regulations** for companies with international business activities. The United Nations have already taken steps in this regard. Regulation should be based on internationally accepted worker rights, human rights and standards for environmental protection. The voluntary OECD Guidelines for **Multinational Corporations constitute an important new standard for businesses, but it cannot be a substitute for internationally binding regulation.**
- **D**esign a Dutch **code of conduct for responsible business behaviour**, based on international treaties and on instruments such as the OECD Guidelines, as a temporary measure until such time when binding international regulation takes effect. Of course, the fundamental labour rights (union and collective bargaining rights, ban on child and forced labour, and equal treatment of workers) should be incorporated in this code of conduct. A credible code of conduct also requires corporate responsibility for product and supply chains, as well as independent supervision of compliance. Use this code as a basis for the public's right to obtain information, and as a minimum standard for companies drafting their own codes of conduct, as well as for the government in its various capacities as a legislator, market player and facilitator. Promote the development of such codes at the European Union level. Develop verifiable indicators on the basis of this code of conduct.
- **P**rovide citizens and consumers with the **right to obtain information**, by making it mandatory for corporations to report publicly, at regular intervals, on the social and environmental effects of their foreign activities. Verification of these reports by an independent body on the basis of verifiable indicators can be introduced step by step. The first step should include (a plan of action for) compliance with fundamental labour rights. Companies refusing to meet their reporting obligations should be named publicly as part of the overall effort to secure compliance.

### **As a market player and 'best practice' consumer**

- **I**n purchasing and tendering, **give preference to socially and ecologically sound products and services.** Promote that provincial and local authorities do likewise. Encourage 'responsible consumption' by (purchasing) organisations and the public at large, for example by informing the public and introducing tax benefits.
- **L**imit government support - such as export subsidies, export credit insurance, investment subsidies and trade missions - **to companies that (a) adopt the code of conduct** as a minimum standard for their own company-specific codes of conduct, (b) **implement** their codes, and (c) report adequately on the social and environmental effects of their business activities.
- **D**emand that (partially) **state-owned companies** adopt the code of conduct as a minimum standard for their own company-specific codes of conduct. Ensure compliance, reporting and independent audits.

### **As a facilitator**

- **E**stablish an expertise and promotion **centre for socially responsible business with the active involvement and input of unions, employers' organisations and NGO's.** The centre would engage in research, provide information to the public, and manage a web site where the public can access corporate reporting on the social effects of company-specific business activities. Also, it would promote socially responsible business initiatives through pilot projects. Furthermore, the centre would take initiatives aimed at developing verifiable indicators on the basis of the code of

conduct.

Provide a (pro)active **National Contact Point (NCP)** for the **OECD Guidelines for Multinational Companies**; this NPC would collaborate closely with the expertise and promotion centre.

- **M**ake socially responsible business a core theme of Dutch bilateral **economic relations and development co-operation**. Promote local entrepreneurial activity contributing to sustainable employment under decent working conditions. Support, both in the developing world and the Netherlands, those NGO's and unions that urge corporations and governments to live up to their social obligation and take an active part in shaping these obligations.

**This Manifesto has been signed by:**

Agromisa  
Alternatieve Konsumenten Bond  
Amnesty International  
ASN Bank  
Both Ends  
Burma Centrum Nederland  
Centraal Missie Commissariaat  
CLAT-Nederland  
Cordaid  
COS Nederland  
COS Groningen  
COS Drenthe  
COS Flevoland  
COS Friesland  
COS Gelderland  
COS Haaglanden en West Holland  
COS Limburg  
COS Noord-Holland Zuid  
COS Oost Brabant  
COS Overijssel  
COS Rijnmond en Midden Holland  
COS Utrecht  
COS West- en Midden Brabant  
COS Zeeland  
Consumentenbond  
Defence for Children Nederland  
Evert Vermeer Stichting  
Fair Trade Organisatie  
Filipijnen Groep Nederland  
Food World Consultancy  
Foster Parents Plan  
Guatemala Komitee Nederland  
Health Net International  
Hivos  
Humanistisch Overleg Mensenrechten  
ICCO  
Institute of Cultural Affairs - Nederland

INZET  
International Union for the Conservation of Nature - Nederland  
IRENE  
Justitia et Pax Nederland  
Kerken in Actie  
Landelijke India Werkgroep  
Landelijke Vereniging van Wereldwinkels  
Missie en Jongeren  
Move Your World  
Nederlands Centrum voor Inheemse Volken  
Nederlands Instituut voor Zuidelijk Afrika  
Nederlands Juristen Comité voor de Mensenrechten  
Nederlandse Vereniging van Huisvrouwen  
Novib  
Oikocredit  
OIKOS  
Organisatie Latijns Amerika Activiteiten  
Pax Christi Nederland  
Quest Independent  
Save the Children Nederland  
SIMAVI  
Schone Kleren Overleg  
Solidaridad  
Stichting Kinderpostzegels Nederland  
Stichting Max Havelaar  
Stichting Natuur en Milieu  
Stichting Onderzoek Multinationale Ondernemingen  
Stichting Rechte Banaan  
Terre des Hommes  
Trans National Institute  
Triodos-Bank N.V.  
UNICEF Nederland  
Vereniging Milieudefensie  
Vereniging van Beleggers voor Duurzame Ontwikkeling  
Vluchtelingen Organisaties Nederland  
Vrouwen Alliantie  
Vrouwen voor Vrede  
WEMOS  
World Vision  
World Population Foundation  
Zuid-Noord Federatie  
Max van den Berg, Euro-MP, Vice-Chairman of the Committee on Overseas  
Development  
Ir. J.P. van Soest, director CE-Transform, Visions for Sustainable Change  
Prof. M. Kamminga, professor of international law, University of Maastricht