



Corporate Social Responsibility

Corporate Social Responsibility passport

THIS PASSPORT HAS BEEN DEVELOPED BY THE DUTCH MINISTRY OF FOREIGN AFFAIRS IN COOPERATION WITH THE MINISTRY OF ECONOMIC AFFAIRS, THE MINISTRY OF SOCIAL AFFAIRS AND EMPLOYMENT, THE MINISTRY OF INFRASTRUCTURE AND ENVIRONMENT AND CSR NETHERLANDS.

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Introduction

Corporate Social Responsibility – no entrepreneur can afford to ignore it. Not only because your customers and governments expect it of you, but also because it produces concrete results for your company. CSR is the way of the future.

Are you ready for the future?

You're probably already exercising CSR: by ensuring good working conditions for your employees, by using sustainable materials and production methods, or by making products that contribute to quality of life in local communities. We challenge you to take it a step further. Find out what opportunities are still out there for you and what the minimum requirements are from governments.

Getting to work

After reading this passport you'll be ready to work on CSR within your own company. The links in this passport to extra online information can also be found at www.mvonderland.nl/csrpassport.



Pieter Goudswaard,
interim CSR manager at JUMBO Supermarket:

“Take your own convictions as a starting point for international CSR, and take it step by step.”



CORPORATE SOCIAL RESPONSIBILITY

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What is Corporate Social Responsibility?

In every decision it makes, a company that exercises CSR will strive to achieve optimal results for people, the environment and the company. Both now and in the future. Corporate social responsibility is a long-term business strategy and helps your company comply with standards of good business practice.

The many faces of CSR

Responsible business practices come in many forms. The themes and dilemmas differ by country, by sector and by company. CSR is a journey, not a destination. Your goals will shift in time and with each strategic decision. There are always new challenges and new steps to be achieved.

CSR means working together

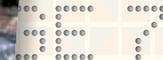
Transparency is crucial. Getting your partners, other companies, customers and other organisations involved in your decision-making processes will give you new insights into your and their operations. This will enable you to avoid potential problems and make smart decisions for your company.



CSR isn't something that you have to do alone. Other companies may already have gone further in tackling certain issues and putting innovations into practice, and may be keen to share their expertise. Join a CSR network, contact the embassies and other organisations that can help you, like trade unions, non-governmental organisations (NGOs), government authorities and trade organisations.

Feike Sijbesma, CEO DSM:

“Sustainability continues to be an important business driver in addition to being our core value and responsibility. Our ECO+ solutions are growing faster and more profitably than other products.”





Policy

CSR means taking account of the effects of the company's actions on society at large by:

- consciously striving for a positive impact on the three dimensions of Profit, People and Planet – and thus on society's well-being in the long run,
- maintaining relations with stakeholders, based on transparency and dialogue, and answering questions from different parts of society.

From: 'Winst van waarden', advisory report on CSR by the Social and Economic Council (2000)

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For more information

[MVO Nederland \(CSR Netherlands\)](#)

[OECD Guidelines for Multinational Enterprises](#)

[Netherlands Enterprise Agency \(RVO\)](#)

[The Dutch government's vision on CSR:](#)

[CSR Pays off](#)

[Policy letter on private sector development:](#)

[Effectieve Private Sectorontwikkeling \(in Dutch\)](#)



International business and CSR

Social issues arise whenever you import, export or invest across borders. What is the impact of your company on people and planet? Find out, and you've taken your first steps towards developing a policy on international CSR.

- * What is the political and human rights situation in the country where you are doing or want to do business?
- * What environmental issues are at play locally?
- * How can you combat corruption?
- * How can you make sure child labour is not involved in your production processes?
- * Are workers in your supply chain earning a living wage?

How responsible is your supply chain?

Corporate social responsibility also involves investigating practices in your supply chain. How clean and fair are the products of your suppliers and contractors? This also reflects on your products and your company's reputation. Encourage your suppliers to consider the sustainability of their products and working conditions for their workers. Tell them what requirements you expect them to satisfy if you're going to do business.



Tools

It's not easy to map the impacts of your company. Luckily you don't have to reinvent the wheel. Several tools are available to help you:

- * The *SER Due Diligence tool* helps you map your risks schematically: <http://www.ser.nl/nl/themas/imvo/mvo-ricomanagement.aspx>
- * The online *CSR Risk Checker* developed by MVO Nederland (CSR Netherlands) gives companies a general overview of their CSR risks: www.mvorisicochecker.nl/en
- * Companies in the same sector or line of trade often face similar problems. A dialogue with these companies can help you avoid unexpected problems.

Dutch Good Growth Fund

The Dutch Good Growth Fund (DGGF) provides finance for development-related investment in or trade with low- and middle-income countries. To qualify for the DGGF or other forms of government funding, you must comply with the OECD Guidelines for Multinational Enterprises. Applications to the DGGF will be assessed for their impact on people and planet.



CE-AMEN

Inspiration

Do you want to know about other companies' responsible business practices? The Dutch-language website www.grensverleggers.nl features blogs by and interviews with Dutch businesspeople who take CSR seriously in their international ventures.

Pieter Goudswaard,
interim CSR manager at JUMBO Supermarket:

"We must strive for improvement. To do so, you have to enter into a dialogue with your suppliers and other partners in the chain. What future do they see? For what point on the horizon are we headed, and how do we get there together?"

The benchmark: the OECD Guidelines

The OECD Guidelines for Multinational Enterprises contain the minimum requirements for responsible business practice. The Guidelines resulted from discussions with companies, governments, unions and civil society organisation. They provide a basic framework for corporate social responsibility in relation to issues such as child labour, environment and corruption.

CE-AMEN

Strong partnerships

Your company doesn't have to develop an integrated CSR policy in isolation. Cooperation is possible at sector level, product level and in overarching networks, initiatives and guidelines. Joining an initiative or certifying your products can help you implement and communicate your CSR policy. Participating in partnerships also improves the credibility and impact of your policy.

For more information on international CSR

- CSR Risk Checker - MVO Nederland
- ISO 26000
- MVO-wegwijzer ISO 26000 – MVO Nederland / NEN (in Dutch only)
- Global Compact
- OECD Guidelines for Multinational Enterprises
- Sustainable Trade Initiative
- SER Due Diligence Tool
- Country information provided by the Netherlands Enterprise Agency (in Dutch only)
- Centre for the Promotion of Imports from Developing Countries (CBI)

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Human rights and CSR

Your company and the corporate partners you work with must of course respect fundamental human rights in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs), endorsed by the UN Human Rights Council in 2011.

The UNGPs are a framework for business and human rights, developed by UN Special Representative John Ruggie. This framework sets out:

- * the duty of governments to protect human rights,
- * the responsibility of companies to respect human rights,
- * and the need for access to remedy for victims of human rights abuses.

Awareness is the first step in preventing violations of human rights. This is what John Ruggie referred to as the principle of 'due diligence'. The framework developed by John Ruggie has also been integrated into the OECD Guidelines.

Giel Krutzer,
production manager at Aarts Conserven:

“Communicate transparently about critical processes, situations and decisions: this gives them legitimacy.”

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A company that operates internationally is likely to be faced with human rights concerns, either in its own operations or in its supply chain. In fact, your operations probably affect human rights more than you realise. The issues may range from labour rights and child labour, to women's rights and land rights. Smaller companies, too, can find themselves having to deal with human rights concerns, and they also have a responsibility to act with due diligence. The CSR Risk Checker and the SER Due Diligence module are practical tools to help your company get started.

Due diligence

Due diligence requires you to:

1. have a human rights policy;
2. know the impact of your company's activities on human rights;
3. integrate this knowledge into your company's structure and its operations;
4. monitor and report on the implementation of your human rights policies.

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Siem Hafmans, Ragbag:

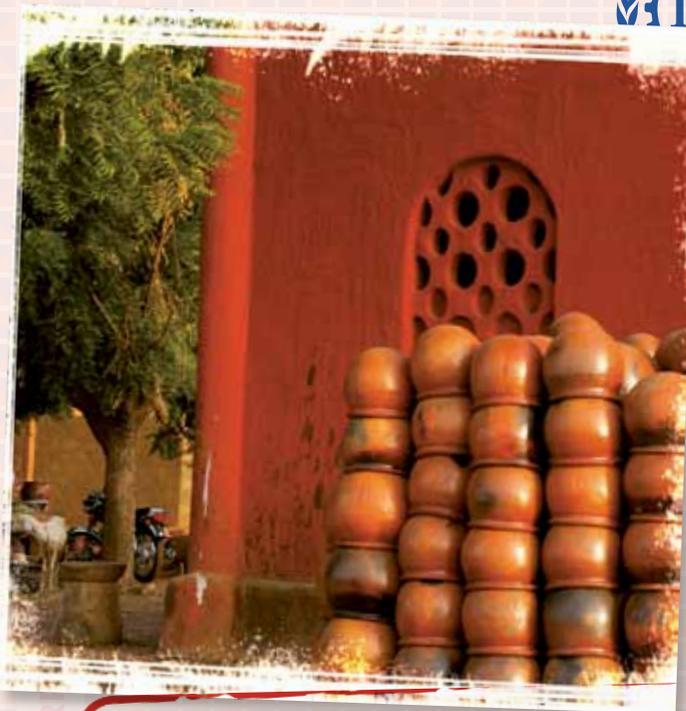
“I regularly travel to India to check labor circumstances. They are good, but I can't check that constantly of course. Therefore we strive to be as transparent as possible. Everyone can always come take a look at the workplace and in the studio.”

Labour rights

While most countries have labour laws, enforcement may be weak. Labour laws prohibit forced labour, child labour and discrimination, and lay down requirements on labour security, health and safety, and a living wage. Other labour rights include decent hours, freedom of association, and the right to collective bargaining. Workers' rights are enshrined in the conventions of the International Labour Organization (ILO). You will probably have taken steps to ensure that labour rights are respected within your company, but you should also check your suppliers' performance in this regard.

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Ruud Metten, BsaB (candle factory):

“It is important that employees with little education can still work with our systems. We want to make things as fun and pleasant as possible, and adjust our machines accordingly.”

BRUNNEN

The rights of female workers

The rights of female workers are a particular concern in many countries. Discrimination and violence against women are still common in the workplace. There is plenty of room for improvement when it comes to equal treatment in terms of wages, legal status, and access to the labour market.

Pro-active policy for women workers with provisions on maternity leave, childcare and coaching, will make your company an attractive employer. Addressing the rights of women workers benefits your company, your employees and the community at large. Female entrepreneurs also deserve equal opportunities for doing business with local entrepreneurs. Local women’s business associations can give you practical advice.

For more information

- UN Guiding Principles on Business and Human Rights
- SER Due Diligence Tool
- The Dutch government’s vision on CSR: CSR Pays off
- OHCHR website (human rights treaties)
- ILO
- OECD Guidelines for Multinational Enterprises ch. 5: Employment and Industrial relations.
- National action plan on business and human rights (in Dutch only)
- CSR Risk Checker



CSR and the environment

Companies that want to remain profitable in the future address environmental concerns. Natural resources are becoming scarcer, but this problem can be alleviated by finding alternatives or recycling. The less dependent you are on natural resources, the greater your chances of success in the future.

Environmental performance

Be transparent about the environmental impact of your operations, services and products, for example by using a monitoring system that enables you to identify all your challenges. Many innovations and technologies are available to improve your environmental performances. And, again, you can do this more effectively and at lower cost if you join forces with other businesses.

Natural resources

Natural resources such as clean water, clean soil, timber, minerals, and wildlife for human consumption are often overused and abused. This has severe adverse effects on global biodiversity, which in turn threatens ecosystem services such as freshwater supplies and favourable conditions for crops.

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What you can do:

- Use natural resources wisely.
- Close material cycles to boost the reuse of natural resources. More on that below.
- Seek alternative resources.
- Reducing consumption is often a logical solution.



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Materials and waste

Resource extraction, manufacturing and waste disposal are costly and may be harmful to the environment. Increasingly, companies are closing their material cycles with a view to ensuring long-term access to raw materials. With new value chains and corresponding business models you can reduce your use of non-renewable resources and your company's adverse environmental impacts. For instance, you can design a product that can be reused or recycled, you can collect products at the end of their life-cycle, or offer a service (e.g. lighting) rather than a product (lamps). This is the principle of the circular economy.



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Energy

Severing the link between economic growth and fossil fuel consumption would solve many problems. By cutting back energy consumption and using renewable energy, both in the production and transport stages, your company can help reduce emissions of CO₂ and fine particulates. You can also make your products more energy efficient. Talk about this with your suppliers and clients at the design stage.

For more information

- OECD Guidelines for Multinational Enterprises ch. 6: Environment
- Kyoto Protocol (1997)
- ISO 14000
- EU Eco-Management and Audit Scheme (EMAS)
- Cleaner Production (UNEP)
- Circular economy tips, MVO Nederland
- Ellen McArthur Foundation
- Ecodesign
- Best Available Techniques Reference Guides (IPPC)
- Basel Convention on hazardous waste
- Ceres principles (Coalition for environmentally responsible economics)
- Partners for water
- Netherlands Enterprise Agency sustainable procurement website (in Dutch)



Foroba Yelen (design Matteo Ferroni)

Courtesy of Fondazione eLand



The ethics of profit

A socially responsible corporation contributes to the economic, social and ecological progress of society as a whole. It maintains open and fair relations with other companies and with governments: integrity is key.

Fighting corruption

Corruption is everywhere. Without active resistance, it gets worse. In a corrupt environment integrity is not rewarded. Corruption leads to unfair competition and inefficiency. The effects of corruption are felt more strongly in poor countries because corruption impedes the equitable division of the results of growth and leads to wastage of scarce public resources. Corruption makes efforts at poverty alleviation ineffective. Ultimately, corruption also harms the interests of the private sector as it stands in the way of a level playing field.

Aart van den Beukel, Safisana:

“We do not participate in anything that resembles corruption, holding on to that principle is crucial.”



Have you encountered corruption in your international business operations? Contact the embassy for assistance and information. Keep in mind that engaging in corrupt practices abroad also has legal consequences at home. Companies that are registered in the Netherlands and who are involved in corrupt practices can be prosecuted in the Netherlands. This applies to both direct and indirect involvement in corruption.

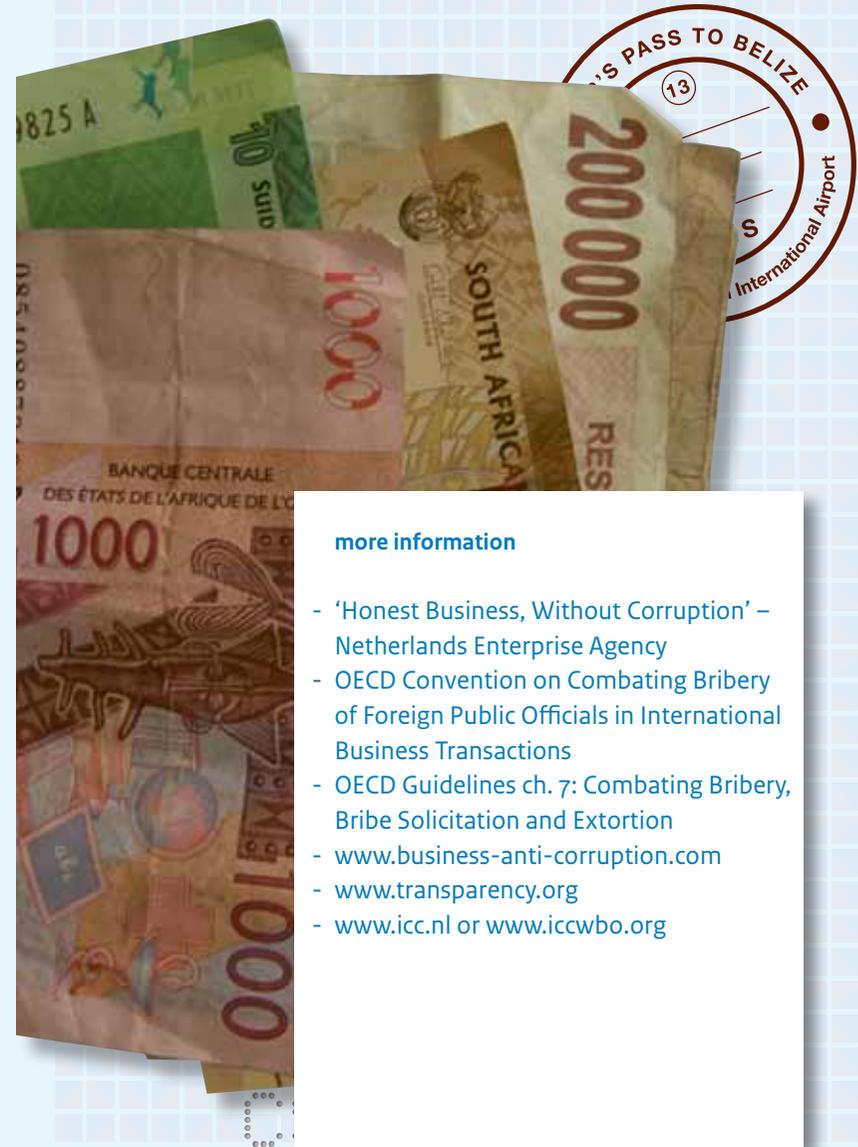
Anticorruption treaty

The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions was signed by all OECD member states and other national governments. It has been integrated into Dutch law since 2001. Corruption is punishable under Dutch law, even if the corrupt act has taken place abroad. Bribes, kickbacks and other illegitimate advantages must not be offered, given, promised or taken by companies to secure projects or deals

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more information

- 'Honest Business, Without Corruption' – Netherlands Enterprise Agency
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- OECD Guidelines ch. 7: Combating Bribery, Bribe Solicitation and Extortion
- www.business-anti-corruption.com
- www.transparency.org
- www.icc.nl or www.iccwbo.org

CSR pays off

It's safe to conclude that CSR always pays off, in the long run. This is supported by an increasing body of evidence:

- * In *Green Winners* (2009) A.T. Kearney establishes that sustainable companies perform 10 per cent better than the industry average. Examples of the positive effects:
 - * Better market position due to cost reduction, raised production and innovation,
 - * Larger market and new opportunities for cooperation due to increased ability to distinguish yourself from other companies,
 - * Increased (customer) confidence in your company,
 - * Understanding of stakeholders, trust of the community,
 - * Motivated, healthy, and qualified employees,
 - * Lower risk for the future of your company,
 - * Improved company culture,
 - * Positive attention from the media,
 - * Access to government finance.

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- * Over a period of 18 years, Harvard University researchers tracked two groups of American companies quoted on the stock exchange, both 'high sustainability companies' and 'low sustainability companies'. An investment in a company with a higher sustainability rating had a significantly higher return than the same investment in a low sustainability company. (*Harvard Business School, 2013*)
- * Companies with a mature sustainability policy have higher profits, according to research by Atos Origin and IDC (*'The business case for environmental excellence is real', 2009*). These companies realise profits that exceed the industry average by more than two per cent. The research shows that companies with a proactive sustainability strategy are better positioned to survive unstable market conditions.



Organisations in the Netherlands

CSR Netherlands

CSR Netherlands is a knowledge and networking organisation that encourages corporate social responsibility (CSR) in the business community. The organisation helps entrepreneurs tap into the opportunities offered by CSR, and the potential benefit to the company, the environment and society at large. An important part of CSR Netherlands' work is helping small and medium-sized enterprises that do business internationally in the field of CSR, both directly and through intermediaries such as embassies and trade associations.

www.mvonderland.nl

National Contact Point (NCP)

Every country that has endorsed the OECD Guidelines for Multinational Enterprises has a National Contact Point. It has two main tasks:

1. introducing companies to the OECD Guidelines and promoting compliance with them;
2. dealing with complaints by individuals, civil society organisations and businesses that disagree on application of the Guidelines.

www.mneguidelines.oecd.org/ncps

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Netherlands Enterprise Agency (RVO)

The Netherlands Enterprise Agency (RVO), which falls under the Ministry of Economic Affairs, supports entrepreneurs and public organisations in international business and cooperation. The RVO encourages international activities by providing information about foreign markets, giving project and financial support, and establishing contacts with business partners abroad. The RVO integrates CSR knowledge and expertise into its products and services, such as country files, funding instruments and information meetings.

Centre for the Promotion of Imports from Developing Countries (CBI)

The Centre for the Promotion of Imports from Developing Countries (CBI) provides training courses, market information, coaching and institutional development to boost the competitiveness of companies in developing countries that seek to export to the European market. The CBI also helps these companies and their business support organisations to integrate CSR into their business management and services. It can also help connect suppliers and buyers.

www.cbi.nl



Sustainable Trade Initiative (IDH)

The mission of the Sustainable Trade Initiative is to make international marketing and supply chains more sustainable. For its programmes, the organisation actively seeks cooperation with other supply chain initiatives in the Netherlands and other countries. It is already working in an array of sectors including cocoa, tropical timber, tea, soya, cotton, aquaculture, electronics, coffee, cashew nuts, spices, textiles, natural stone, flowers and plants, palm oil, pulp and paper, and fruit and vegetables.

www.idhsustainabletrade.com

Netherlands Senior Experts Programme (PUM)

The PUM sends senior experts abroad to enhance the competitiveness of businesses, boost employment rates and promote clean production processes in developing countries.

www.pum.nl

Dutch Employers Cooperation Programme (DECP)

The Dutch Employers Cooperation Programme (DECP) is a public-private partnership run by the Confederation of Netherlands Industry and Employers (VNO-NCW), the Royal Association MKB Nederland and the Dutch Federation of Agricultural and Horticultural Organisations (LTO), and the Ministry of Foreign Affairs. The DECP's aim is to improve the position of employers' organisations in developing countries.

www.decp.nl

DECP - PUM - IDH

FNV Mondiaal

FNV Mondiaal is part of the FNV trade union confederation (the Netherlands' largest workers' organisation) and works in partnership with other trade unions worldwide. It also works with individuals who campaign for decent work, employee participation, equality and democracy, and fight to eliminate poverty, oppression and child labour. The FNV is actively working in the Netherlands and all over the world to promote CSR. It calls multinational companies to account for their social policy. In addition, FNV Mondiaal supports the struggle for respect for trade union rights.

www.fnvmondiaal.nl

CNV International

CNV International supports trade unions in 16 countries in Asia, Africa, Latin America and Eastern Europe. Its trade union partners are all involved in promoting decent work and compliance with core labour standards. Besides providing financial support, CNV International and the CNV unions share knowledge and expertise with their partners.

<http://www.cnvinternationaal.nl>

CNV - FNV - IDH

SOMO/OECD Watch

The Centre for Research on Multinational Corporations (SOMO) is an independent, not-for-profit research and network organisation working on social, ecological and economic issues related to sustainable development. Since 1973, SOMO has been investigating multinational corporations and the consequences of their activities for people and the environment all over the world. SOMO supports civil society organisations by holding training courses, coordinating networks and building knowledge about the role of multinational businesses in international manufacturing, trade, finance and legislation.
www.somo.nl

In addition, SOMO is one of the initiators and implementers of OECD Watch, an international network of NGOs that actively promote the OECD Guidelines.
www.oecdwatch.org



