

Take a closer look

Current practices of Dutch business on human rights



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Foreword Jan Eijsbouts

Dear reader,

It is both a privilege and a pleasure to introduce the Beco, Human Rights@Work and VBDO report on the practical implementation of the UN Guiding Principles on Human Rights and Business 2011, authored by Harvard Professor John Ruggie as Special Representative of the UN Secretary General on the issue of human rights and transnational corporations and other business. These principles, which operationalise Prof. Ruggie's "Protect, Respect and Remedy Framework 2008", clearly distinguish between the state duty to protect and the corporate responsibility to respect human rights. They provide important guidance to companies and other businesses to identify the social norms relevant to their operations in the field of human rights. The corporate responsibility to respect human rights is not a legal responsibility as Ruggie posits, but a "universal baseline expectation" from society and hence a global standard of conduct, so a set of unregulated social norms. Unregulated for business, that is to say, since the state duty to protect human rights is hard treaty law. For business the human rights norms are the core of the unregulated part of their Corporate Social Responsibility. The CSR People, Planet and Profit scope covers human rights aspects in all three P's as Ruggie has shown. International CSR frameworks, such as the UN Global Compact, The UN Principles for Responsible Investment, the OECD Guidelines for MNE's 2011, the GRI Guidelines 3.1 and the ISO 26000 Guidelines all have embraced the Ruggie Principles.

In the analysis leading to his framework, Ruggie found that virtually all major companies publicly stated officially that they respect human rights (of course, not a single company said they would not), but that only a few were able to give an account of what that actually meant to them. The Guiding Principles 2011 specify how corporations should live up to this responsibility. The key phrase is "risk based due diligence": corporations should on a continuous basis assess whether and in what ways their actual or intended operations and



those involved in their supply chains run the risk of impacting on the human rights of others, and they should take preventive or, if damage is inflicted, remedial steps. This identification of the relevant substantive CSR norms is a process of contextualisation: each company will have to analyse its position based on its specific industrial characteristics and the given societal and regional context, and this in a continuing dialogue with its stakeholders in that same context. An oil company that obtains or uses a production licence in an agricultural or forest region in a developing country has a different CSR profile than when it obtains and/or uses a production licence in deep waters. And this in turn is quite different from a pharmaceutical company opting to do its clinical testing in a barely regulated developing country rather than in its home country. An IT company, in turn, has a different CSR profile when it opts to outsource its production to a developing country than when it sells an internet access restriction system to a country with a totalitarian regime.

In conclusion, there is no such thing as a “one size fits all” substantive notion for CSR. CSR is a container of multiple social norms relating to a whole series of topics in the Triple P fields, which may vary not only among different industries but also in time and place. It is up to each business organisation to draw up its own CSR profile, identify its stakeholders, engage in a dialogue with them and identify their legitimate societal expectations. This is what the Dutch Corporate Governance Code requires since 2009 in its principle II.1 that sets forth the core responsibilities of management.

The Beco, Human Rights@Work and VBDO report shows that companies are busy implementing the Guiding Principles in several ways and with varying priorities and intensity. It may be a welcome guide to assist companies to agree with their stakeholders, including responsible investors, on their customized CSR profile also in line with the Dutch Corporate Governance Code and to contribute to a sustainable future.

Jan Eijsbouts

Professor Corporate Social Responsibility Maastricht University

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Foreword VBDO

Corporations have always dealt with human rights, whether they liked to or not. After all, businesses employ people, take resources, have neighbours, customers, suppliers and work in a society. They need people to develop, produce, buy, sell and set rules. Everything companies do has an impact on humans: even their environmental footprint in the end is most relevant because of its impact on people.

In view of all this, it is surprising that only the minimum requirements are set by governments, e.g. in social legislation, and that those minimal standards vary greatly across the globe. Most regulators on human rights draw on international standards such as the Human Rights Declaration and the ILO standards. However, these broad guidelines only give limited guidance because of their lack of detail. They also do not have direct legal consequences.

The principles developed under the mandate of John Ruggie, on Business and Human Rights, endorsed by the UN, bring insight in the responsibility of companies, indicating they have to respect not only local legislation, but also international human rights standards and find solutions where these are infringed. This work is also an integral part of the revised OECD Guidelines, making it soft law in those countries that are part of the OECD.

Implementation, however, confronts companies with new questions. What are the most relevant indicators on human rights in my sector, or in the countries where I operate? How do I deal with the differences in these countries? Should I implement my own standards when they are higher, even if local legislation does not require this and my competitiveness may be affected? In what cases am I liable, and to what extent? How far does my responsibility in the supply chain extend?



The same questions apply to investors, whether it be in cases of direct investment or credit.

This survey, supported by the Dutch Ministry of Economic Affairs, Agriculture and Innovation and the Dutch Ministry of Foreign Affairs, tries to provide some insights into the questions companies and investors face in the area of human rights, and to suggest possible solutions. The results will be discussed in a conference to be held on June 12 in Amsterdam. The VBDO has chosen human rights as one of its three focus themes this year, and will engage with companies on this subject. Our aim is to stimulate the thinking on human rights and to find concrete solutions that help companies to make this planet a better place for us humans. I would like to invite you to help with this work and share your insights, either during the conference or after, by emailing your comments to us.

Giuseppe van der Helm

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Executive summary

Introduction

The year 2011 saw the launch of two important guidelines: the UN Guiding Principles for Business and Human Rights, and the revised OECD guidelines. These guidelines clearly defined the responsibilities of companies towards human rights as the responsibility to respect human rights. To promote and support the operationalisation of these guidelines and especially the corporate responsibility to respect human rights in a company's strategy and policy, the VBDO, with the support of the Ministry of Economic Affairs, Agriculture and Innovation and the Ministry of Foreign Affairs launched a new project. This publication's main goal is to provide insight into the current status of the guidelines' implementation in the Netherlands and to provide ideas and suggestions for future elaboration of the human rights paragraph for companies and investors.

The input for the publication was obtained by the public information of 47 companies, 15 in-depth interviews with companies, NGOs and financial institutions, as well as through a multi-stakeholder round-table discussion.

The risk of getting involved in cases of human rights abuse is increasing, especially for companies operating in the international, open economy of the Netherlands. The society expects companies to take responsibility for their impact. Dutch companies often mention they see human rights as part of the company values, but in the end it is the business case that drives the implementation of respect for human rights.

Implementation in the Netherlands

The guidelines describe the different steps companies should take for being able to meet their responsibility to respect. These interrelated steps include policy making, impact assessment, integration, monitoring the effectiveness of the response, communication and reporting and remediation. This study

derived good practice indicators from the guidelines to assess how Dutch companies are currently using and following the guidelines, to identify existing good practices and to highlight remaining challenges.

Policies: progress is being made

Companies should express a public commitment to human rights. Nearly half of the larger companies in the Netherlands now make an explicit reference to international human rights in some form, while others only make requirements for their supply chain. It is encouraging to see that some larger companies have joined international sector initiatives where specific standards for human rights in the sector are being developed. A few have even developed a separate human rights policy to draw specific attention to the topic. All policies are endorsed at the highest level. Much work remains to be done, however. Dutch companies would do well to formulate their expectations for staff and business relationships, including suppliers, more clearly, given that not everyone is familiar with these international standards. Furthermore, stakeholder consultation when developing the policy is rare. Such a step would help companies to find the right focus for their policies, that at present still focus heavily on labour issues alone and are often even limited to child labour.

Impact assessment is more than identifying company risks or auditing the supply chain

Continuously identifying and assessing a company's potential and actual impact is at the heart of the responsibility to respect. Only 12 of the 47 examined Dutch companies, including investors, were found to do some form of risk assessment that included human rights, and then usually as a part of their overall risk assessment. Remarkably, the risk assessments made by investors were usually much more elaborate than those enacted by the companies themselves. It is essential for companies to look at their own direct contribution by evaluating how their systems and processes potentially may affect human rights. Another step that is proving useful is the identification of, and dialogue with, potentially affected stakeholders. For

assessing impact in the supply chain, Dutch companies tend to limit themselves to the existing method of audits. Although audits can be a useful tool, a good impact assessment involves many more steps than auditing, as experienced companies are starting to recognise. Greater emphasis on the phase preceding audits, such as the identification of country risks and local circumstances, followed by the identification of high risk suppliers and the most important (in terms of severity and likely occurrence) human rights for that particular supplier, would help to focus audits and to reduce costs. A more proactive approach will prevent a situation where NGOs and the media point out negative impact that companies had not identified themselves.

Integration still at its infancy

Policies and findings from impact assessments should be integrated into management processes within the business operations. Respecting human rights is part of many companies' values, but the integration of human rights elements into the business is still only in its earliest phase. Companies are generally just starting to understand the importance of human rights for their daily business. Moreover, this understanding is often still limited to particular group of people within a company. Therefore, more needs to be done to raise the awareness within companies on the relevance of human rights for their daily business operations. The main challenge is to translate human rights into business language. Top level commitment to the policy has not led to internal accountability on human rights performance. Hardly any targets with performance indicators have been developed yet, so that no one's bonus or salary depends on human rights performance. It is an encouraging development that the financial sector seems to be taking a lead in integrating human rights, as part of the ESG criteria, in investment decisions, although more can be done by applying these ESG criteria to a larger part of their investments.

Monitoring compliance with policies is not identical to monitoring effectiveness of policies

Companies should track the effectiveness of their response to human rights impacts. Few Dutch companies are currently monitoring their performance on human rights, although most recognize the importance of doing so. The little monitoring that is being done measures compliance with the code of conduct or sector standards. The absence of targets and indicators at impact level is most probably the reason why effectiveness is not being measured consistently. At most, non-compliances are being measured. What needs to be measured is the effectiveness of the companies' policies, management processes and remediation efforts on people's rights. Consultation with the affected people, and with organisations that represent them, will be needed to obtain an answer to this question. When it comes to the supply chain, our study ascertained that there is a strong belief in the value of auditing, but that hardly any attention was devoted to measuring the effectiveness of supply chain policies and corrective action plans. Do they really improve working conditions and local circumstances in the supply chain?

The strategy of dialogue and engagement of the financial sector can be assumed to be effective. However, the formulation of targets and performance indicators within such a strategy is difficult. As a consequence, the effectiveness (what made a company change or improve?) of dialogue and engagement is not being measured.

Communication and reporting is still a sensitive issue

A company should communicate internally and externally about the way impacts are addressed. A few companies were found to report on human rights. They report publicly how they have dealt with accusations made in the media or by NGOs. Some also report how they addressed an issue after they had acknowledged actual impact had taken place.

It is not surprising that companies hardly communicate about their performance, since targets and indicators were not set and monitoring is only done in a limited way. Stakeholders will not be able to gain insight into the progress a company is making. Companies could make more efforts by using the frameworks for reporting and communication as provided by organisations like Global Compact and GRI. While it is encouraging to see the increased transparency and initiatives for stakeholder dialogue on many elements of sustainability in the Netherlands, dialogue on human rights usually takes place after an incident has happened. If companies become more proactive, they presumably will be able to decrease the number of incidents that take place altogether.

Remediation efforts mainly in the supply chain

A company should take appropriate action where it has caused or contributed to negative impact, or use its leverage where negative impact is directly linked to its operations, products or services in its business relationship with another entity. In practice most Dutch companies (depending on the nature of the business) appear not to look at the negative impact they cause directly or indirectly. Instead, companies often focus on remediation in their supply chain. Three types of remediation are found: one is remediation with or through NGOs, the second is via grievance mechanisms and the third is corrective action plans after audits.

Cooperation with NGOs in remediation remains a challenge for both sides, but it has the potential to ensure satisfactory remediation for all parties concerned. Multi-stakeholder initiatives are upcoming promising mechanisms. Companies and NGOs could apply greater efforts to find each other in dialogue, set aside their differences and work together in remediation efforts.

Operational-level grievance mechanisms could provide a useful tool to prevent conflicts from escalating and address complaints at an early stage. The grievance mechanisms that companies currently have in place do not yet work for complaints about all human rights, however. Currently internal grievance mechanisms focus on living up to the code of conduct or business principles. Companies could intensify their efforts to develop grievance mechanisms that cover all relevant issues and actors on the human rights stage, including workers in the supply chain and the local communities.

The corrective action plans designed for suppliers may not always lead to remediation of negative impact without additional measures as capacity building, training and the development of long-term relationships with suppliers. It is encouraging that more and more companies are recognising that these additional efforts are needed.

Although many companies do take some steps to avoid negative impact on human rights, they need to do more to truly respect human rights. We invite companies to take a closer look at their impact...

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1 Introduction

In 2012, the VBDO made human rights one of the three core themes to be addressed in its dialogue with over 70 Dutch stock listed companies at their annual general shareholder meetings (AGMs). This was a conscious choice, as the VBDO felt that companies are in general more attentive to and more comfortable setting specific objectives for environmental issues than social factors.

Another motivation for the VBDO's choice derives from the recently revised OECD Guidelines for Multinational Enterprises (OECD Guidelines), which incorporate the new UN Guiding Principles for Business and Human Rights (UN GP). Since these guidelines set authoritative expectations for companies in the field of human rights and require them to set clear objectives for human rights, it is worthwhile to explore the practical implications of these guidelines.

With the support of the Dutch Ministry of Economic Affairs, Agriculture and Innovation and the Ministry of Foreign Affairs, the VBDO initiated a project to promote the operationalisation of the corporate responsibility to respect human rights in company strategy and policy.

1.1 This publication

This publication is not a management guide as the publication with the title “How to do business with respect for human rights”¹ is. Rather, its main goal is to give insight into the current status of the implementation of the guidelines in the Netherlands, and to provide further ideas and inspiration. The publication pays attention to the importance of human rights for companies, including the juridical status. It provides an overview of the relevant guidelines, indicators of good practice and questions a company could ask itself in chapter 4. Chapter 5 gives an overview of the current status,

1 Business & Human Rights Initiative (2010), “How to do business with respect for human rights: a guidance tool for companies”, The Hague: Global Compact Network Netherlands



divided according to guidelines and steps of the due diligence process: policy commitments, impact assessments, integration, monitoring, communication and remediation. After an introduction on the topic, examples are provided to illustrate how some front-running companies have already acted upon (part of) their responsibilities, and the main challenge is identified. Companies still have to take further steps to be truly effective in their respect for human rights and to achieve implementation of the corporate responsibility to respect. It is therefore worthwhile to consider the theme of human rights more closely. A closer look is needed...

1.2 Target group

The revised OECD guidelines affect a variety of stakeholder groups including governments, civil society, companies and investors. This publication targets two of them: investors and companies.

The good practices and dilemmas provided in this publication are mostly derived from relatively large organisations, since they, generally speaking, were earlier in introducing the topic of human rights. The VBDO hopes, however, that the findings will seem applicable not only within the context of larger organisations, but also function as input for smaller ones. Companies may differ in size and industry but all deal with people - whether within their own organisation or in their supply chains.

Finally, the VBDO strongly encourages companies and investors to cooperate with other important stakeholder groups like NGOs and governments to operationalise their human rights agenda. It is therefore our hope that a broader public will use this publication as well.

2 Methodology

Human rights are still a sensitive issue for many companies, and relatively little information is publicly available. This report is based both on quantitative public information, as well as qualitative research executed in the period stretching from December 2011 to June 2012. The study examined stock listed and non listed companies within the Netherlands. The perspectives of NGOs and institutional investors have also been included.

2.1 Research methodologies

Quantitative research

The quantitative research examined different elements of the corporate responsibility to respect within the policies currently maintained by 47 companies in order to get a grasp on the current status of human rights and business in the Netherlands. This yields insight into the progress that is being made, and identifies where the development of recommendations and practical tools should be directed. The group of 47 include 40 of the largest listed production corporations on the Dutch indices AEX, AMX, AScX added with 5 financial institutions and two other experienced companies that are included in the qualitative research. Annex 1 provides an overview of the researched companies.

The publicly accessible information on company websites, codes of conduct and sustainability reports has been screened with a view to several specific questions, which are further explained in chapter 5.

Qualitative research

The qualitative research is based on a total of 15 in-depth interviews conducted with companies from various sectors, financial institutions and NGOs² that have experience in the development and implementation of human rights policies. These interviews were the main source of input for the good practices and examples provided in this publication, and gave insight into the remaining challenges. Following the interviews, a round table was organized to share the initial findings and to discuss the dilemmas. Based on that, a preliminary edition of 'Take a closer look' was published.



2.2 Limitations of the publication

Although the aim is to inform the readers of this publication on the implementation of the human rights agenda and to inspire them to further action, we realise that it also has some limitations. The most important limitations are:

- The amount of companies and the representativeness of scope. The sector information is not necessarily representative of the sector, since we only looked at a few larger companies in the sector. It was also a challenge to compare the information of different companies due to the use of different reporting indicators.
- Moreover the public information provided was not always clear and therefore subject to interpretation, which we were not able to verify.
- We realize that companies do more on human rights than they publicly share, therefore we might have missed information in the quantitative study.
- Human rights covers a broad scope of topics and due to limited time and budget, we have not always been able to go into the depth we would have liked.
- The interviews held were mainly with the people responsible for CSR, we realize that other information and good examples might be found in other parts of the business.

2 Companies: Ahold, AkzoNobel, BAM Groep, G-Star, KPN, Randstad and Shell. Financial institutions: ASN Bank, APG, MnServices, PGGM and Robeco. NGOs: Amnesty International, Fair Wear Foundation, ICCO and SOMO.

3 Importance of human rights

3.1 What are human rights?

Human rights are the rights people have by virtue of being human. These rights have been laid down in several international treaties, the main reference points on human rights being constituted by the International Bill of Human Rights³ and the core conventions of the International Labour Organization (ILO)⁴. There are many other treaties on human rights, which often cover the specific rights of vulnerable groups, such as migrants, indigenous people, children or people with disabilities.

All human rights are universal, interrelated, interdependent and indivisible. However, at least twenty-five percent of the world's population currently lives under state regimes that have not ratified one of the two majoring 'binding' human rights covenants. For example, China has ratified the ICESCR⁵ but not the ICCPR⁶, while the USA has ratified the ICCPR but not the ICESCR. This means that it remains difficult to talk about a universally acknowledged human rights declaration.⁷

Some companies still wonder how human rights can be any part of their business. After extensive research under the mandate of prof. Ruggie, it has become clear that companies can potentially have an impact on **all human rights**. This can be direct **contribution**, e.g. through their employment practices, or through their management processes which have direct impact on workers, communities and the environment. Companies may also be implicated in abuses through their association with repressive governments or political authorities or **be linked to these abuses** by their suppliers.

3 The International Bill of Human Rights consists of generally recognized human rights which are set out in the Universal Declaration of Human Rights (UDHR) and its two legally binding documents, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

4 Principle 12 of the UN Guiding Principles

5 International Covenant on Economic, Social and Cultural Rights

6 International Covenant on Civil and Political Rights

7 Whelan et al. (2009), 'Human Rights, Transnational Corporations and Embedded Liberalism: 5 What Chance Consensus?' *Journal of Business Ethics*, (87)2009-1, p. 367-383.



As a minimum companies should respect the rights laid down in the treaties of the international Bill of Human Rights and the fundamental ILO Conventions⁸. An overview of the most common topics on which companies potentially have impact, the related rights and treaties and conventions they are based on, is presented below in table. Obviously each company needs to assess which topics and related rights are potentially relevant for its business.

Topics	Right/Freedom	Source (article)			
UD=Universal Declaration of Human Rights; ESC=Convention on Economic, Social and Cultural Rights; CP=Convention on Civil and Political Rights; ILO=International Labour Organisation Core Conventions		ILO	UD	ESC	CP
I Labour					
A. Working Conditions	1. Right to favourable working conditions 2. Right to work		23	6 7	
B. Child Labour	1. Freedom from child labour		138	10	
C. Non-discrimination	1. Non-discrimination		1		2
	2. Equal Pay for equal work	100	2	2	3
		111	6	7	16
	3. Freedom of religion		7 23		18 26
D. Right to Unionize	1. Freedom of association	87	20		
	2. Right to belong to a trade union	98	22	8	11
		3. Right to strike		23	
E. Fair Pay	1. Right to a just remuneration		23		
	2. Right to holidays with pay	100	24	7	
		3. Right to a basic standard of living		25	
II Security					
A. Freedom from violence/coercion	1. Rights to: Life, Liberty, Security of Person 2. Freedom from Degrading Treatment/Torture 3. Freedom from Arbitrary Arrest, Imprisonment		3		6
			5		11
			7		14
			9		15
B. Free Speech/freedom from intimidation	1. Freedom of thought 2. Freedom of expression 3. Freedom of assembly		18		18
			19		19
			20		21

8 Principle 12 of the UN Guiding Principles



III Health/Environment					
A. Environment	Deducted from the right to physical and mental health by improvement of all aspects of environmental and industrial hygiene: 1. Right to adequate supply of water 2. Right to clean air/ environment			12	
B. Health	1. Right to standard of living adequate for health 2. Right to health		25	12	
IV Property/economic					
A. Housing	1. Freedom of residence 2. Right to housing		13 25		
B. Livelihood	1. Right to an adequate standard of living		25		
C. Property	1. Right to property		17		
D. Privacy	1. Right to privacy (non-interference)		12		17
E. Food	1. Right to food, freedom from hunger		25	11	
V Education					
A. Education	1. Right to education		26	13	
B. Childhood	1. Right of children				24
VI Political					
A. Corruption	1. Right to public and political participation				17
VII Indigenous rights					
A. Informed consent	1. Right of self-determination, right to natural resources, right to subsistence			1	1
B. Culture	1. Right to cultural participation		27		27

3.2 Why are human rights important to business: the business case

With many Dutch companies having their supply chains or operations extending across the world, the Dutch economy is indeed a global economy par excellence. This means that the risks of becoming involved in human rights abuse cases are increasing. The public, however, expects companies to take responsibility for their impact on society.



In 2010, the Institute for Human Rights and Business conducted research on the current global status of human rights due diligence involving some 25 multinationals. It found that, although no business has fully integrated concern for human rights into all aspects of management, significant progress is being made. On the other hand, thousands of companies worldwide have signed on to the UN Global Compact, but only 297 companies⁹ have publicly stated policy positions on human rights. This suggests that not all companies are yet convinced of the importance of human rights for business.

It is essential for companies to understand it is not only about philanthropy or doing good, but that respect for human rights is also in their best interest. Although most of the companies interviewed see human rights as a part of their company values, it is still important that they see that there is also a business case driving respect for human rights. Companies are aided with their:

Reputation

Violation of human rights has an enormous impact on the reputation of a company. Some call it the “hygiene factor”.

BAM is hardly confronted with human rights violations in its own business, so human rights is not high on the agenda. However, the company is convinced of the need to prevent violation of human rights. It seeks to be a responsible company and is further aware that these issues can potentially mean severe damage to the company's reputation.

9 www.business-humanrights.org/Home

Social license to operate

Companies that are seen to have respect for human rights can gain the support and cooperation of local communities for their activities.

In 1997 Shell was the first company to incorporate human rights in its business principles in response to societal concerns over the lack of clarity about the responsibility of business. The references to human rights in the Shell General Business Principles and Code of Conduct still provide the foundation for Shell's human rights activities. The UN Guiding Principles provide clarification of the delineation of the duty to protect of governments and the complementary but distinct responsibilities to respect of business. The Guiding Principles inform how we operationalize the policy statements into programmes where Shell companies work with communities.

Cost saving

Companies that are pro-active in respecting human rights save on costs resulting from disputes with dissatisfied stakeholders (employees and communities).

Risk reduction

Pro-actively identifying, preventing and mitigating impacts reduces the risk of getting involved in disputes or being accused of not respecting human rights.

KPN thinks that as an A-brand company, it has the responsibility to show its clients that it knows its products and how they are produced. This knowledge includes human rights in the supply chain. An element of risk management is also involved since, as a large player in the Dutch market, KPN is vulnerable to public opinion.

G-Star sees it as good business-sense to raise the issue of human rights when doing business with countries and sourcing from countries that do not automatically protect human rights are in line with international standards.



AkzoNobel An effective internal reporting system serves as the backbone for the Code of Conduct and assists in protecting the company and its employees against economic and reputational harm.

Increased access to capital

Many financial institutions pay attention to the extent to which a company respects human rights and criteria are included in ESG; this often already is a condition for investment.

Robeco advocates responsible investing because it believes that good corporate governance and corporate responsibility enhance long-term shareholder value. Human Rights in particular are an important theme for Robeco, because they represent a very dominant factor in its company risk assessment.

PGGM's strong motivation for engagement on human rights is grounded in the social responsible identity of the organisation. New clients are attracted to PGGM because of its strong identity that includes responsible investment.

Mn Service focuses on the materiality of human rights. Poor management of human rights indicates poor management of a company in general.

Contribution to sustainable and human development

Companies respecting human rights have the opportunity to contribute to sustainable development where people actually benefit from economic development. It is the right thing to do and it is a part of the companies' values.



Randstad has been involved in the international debate around human rights and business for many years, especially within the international sector organization and employers' organizations. Human rights are part of the company's values and fit well with what the stakeholders (trade unions) expect. Randstad also expects that the UN Guiding Principles will become the general framework for decent work and CSR (in the next 5-10 years).

Ahold always regarded social compliance as an important theme within corporate responsibility and one of the priorities within sustainable trade. The definition of social compliance at Ahold (and in the retail sector) always focused on labour rights and compliance with legislation; it was never called human rights.

3.3 What is the juridical status of human rights and the new and revised guidelines?

Another reason why it is so important to integrate human rights in the company's business is that these rights have been laid down in international treaties as mentioned in 3.1.

3.3.1 Responsibilities towards human rights on basis of international treaties

When ratified, the international treaties are binding for states and often translated into national law. States are the first ones held responsible for the protection of human rights (the duty to protect) also against infringements of others (including companies). Companies are only bound by national law. Despite increasing pressure upon states to fulfill their duty to protect their inhabitants from harmful corporate activities, a substantial number of governments are still either unable or unwilling to ensure that human rights are adequately respected. This is so in particular when the issues at stake take place beyond their national borders.¹⁰ Even today it remains difficult for states to sue corporations for human rights abuses outside of their territory.

10 Ruggie, J., Special Representative of the Secretary-General on the issue of Human Rights and Transnational Corporations and other Business Enterprises, 'Business and Human Rights: Mapping International Standards of Responsibility and Accountability for Corporate Acts', U.N. Doc. A/HRC/4/035 (February 9, 2007), par. 10.



The question that remained was therefore what responsibility business enterprises have themselves? The Human Rights Council of the UN, with the unanimous adoption of “Ruggie’s” guidelines, made a definitive statement about the role of business with respect to human rights. The UN Guiding Principles on Business and Human Rights clearly defined this as the responsibility to respect human rights. This is a responsibility that exists independently of the states’ ability and/or willingness to fulfil their own human rights obligations, nor does it diminish those obligations¹¹. Although not a legal obligation, the Guiding principles advice companies to “Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate”¹².

Numerous multilateral initiatives have created codes of conduct for companies and investors to oblige them by so-called ‘soft law’ to respect, among other things, human rights or the environment. The United Nations Global Compact (UNGC) and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises are well known and authoritative CSR initiatives that already exist for some time. The new UN Guiding Principles on Business and Human Rights (UN Guiding Principles) also form a non-binding guideline. These initiatives have set a global standard for the conduct commonly expected of all business enterprises wherever they operate.

3.3.2 The corporate responsibility to respect human rights

The UN Guiding Principles and the updated OECD Guidelines impose high expectations of companies and investors. However, in order for companies to meet these expectations, it is essential that companies understand the requirements and challenges of their responsibilities in daily operations.

11 Commentary with foundational principle 11 of the UNGP

12 UNGP 22

The corporate responsibility to respect entails that companies should have policies and processes in place that are appropriate to their size and circumstances, including (UNGP 15):

- (a) A **policy commitment** to meet their responsibility to respect human rights;
- (b) A **human rights due-diligence process** to identify, prevent, mitigate and account for how they address their impacts on human rights;
- (c) **Processes to enable the remediation** of any adverse human rights impacts they cause or to which they contribute.

The due diligence process includes:

- (1) assessing, on an on-going basis, the potential and actual impact and risks on human rights;
- (2) integrating the findings of the impact assessment across relevant internal functions and processes, and taking appropriate action;
- (3) monitoring the effectiveness of the response;
- (4) and communicating to relevant stakeholders how the human rights impacts are addressed.

The next chapters will discuss these different steps in meeting the responsibility to respect.

4 What good practices are expected: a checklist

Based on the (international) research available, as well as the findings of our own research, we present a practical checklist for companies aiming to begin implementing the UN Guiding Principles on Business and Human Rights and the OECD Guidelines. The measures listed in the (UNGP) and the OECD guidelines have been taken as the authoritative norm for determining good practice. This chapter refers to the relevant guidelines for the corporate responsibility to respect, identifies the specific guidelines concerned, and provides some indicators of good practice for implementation based on the guidelines. Additionally, this chapter contains an overview of questions companies can use to assess their own implementation performance. These questions can also serve as the basis for a plan of action for implementation.

4.1 Policy

A company should express their commitment to respect human rights through a public statement

(UNGP 16 (a) and OECD Guidelines 2011, IV Human Rights, principle 4).

Indicators of good practice: *The company policy should refer to international standards on human rights, such as the ILO conventions and the International Bill of Human Rights. Senior management, preferably informed by experts, should also endorse the policy. Finally, the company should stipulate the expectations of personnel, business partners and other parties directly linked to its operations, products or services.*

Check the following questions:

1. Has your company made a public commitment to respect human rights?
2. Does your company's policy refer to international norms concerning the respect of human rights?

3. Is your company's policy issued/endorsed at Board or management level?
4. Did your company consult stakeholders in the development of its policy?
5. Does the policy describe the company's expectations of personnel and management?
6. Does the policy describe your company's expectations of its suppliers or other business partners?
7. Does your company communicate its policy internally and externally?

4.2 Assessing potential and actual impact

Companies need to identify and assess the nature of actual and potential impact on the rights of people either through their own activities or as a result of their business relationships.

(UNGP 17 and 18 and OECD guidelines 2011, general policy 10)

Indicators of good practice: *A risk management system should take into account risks for people as well as the business. It is important that the company consults with relevant stakeholders, especially potentially affected groups and relevant experts. When setting priorities, the risks should be ordered according to where (e.g. in which countries) the risk of adverse impacts is most significant; here companies should factor in their suppliers as well.*

Impact assessments of actual impacts should be made regularly, since human rights situations are dynamic. An assessment ought to precede a new activity or relationship, as well as major decisions or changes in operation. Periodic updates are necessary as well.

Check the following questions:

1. Does your company have a procedure to assess the potential impact of its activities on human rights?



2. Does this procedure define in which situations an actual impact assessment is required, and how often such an assessment should be carried out?
3. Does your company consult potentially affected groups or other stakeholders in this procedure?
4. Is your company aware of the most important potential human rights impacts in the countries in which it operates?
5. Is your company aware of the most important potential human rights impacts in its sector?
6. Has your company analysed its supply chain or value chain on potential human rights impacts?
7. Is your company aware which groups are potentially most affected by the operations of the business?
8. Does your company communicate with its suppliers or partners in the value chain on expectations concerning the prevention of adverse human rights impacts?

4.3 Integration

The policy is reflected in operational policies and processes necessary to embed it throughout the business enterprise.

(UNGP 16 (e) and par.4, Chapt. IV OECD guidelines)

The company uses the findings of the impact assessment internally to adapt policies and processes to prevent or mitigate potential impact it may contribute to and integrates them across relevant internal functions and processes.

(UNGP 19b, 22 and commentary, OECD guidelines 2011, General Policies 11 and 12, and Ch.IV, 6)

Indicators of good practice: *The policy ought to be embedded in the business through operational policies and processes, be actively communicated internally and externally, provide clear lines of accountability, and be supported by training in relevant business functions. To ensure implementation by suppliers, the policy should communicate an expectation of continuous improvement to suppliers and be supported by training for suppliers. The terms of agreement in a contract with the supplier should not interfere with the supplier's ability to observe the standard¹³.*

Check the following questions:

Has your company effectively integrated human rights into its systems and processes, including:

1. Are the internal responsibilities for the implementation of policies on human rights clear?
2. Are relevant management systems and procedures being implemented?
3. Are all relevant departments and business units involved?
4. Is there internal engagement and commitment?
5. Is there internal knowledge and is capacity built?
6. Are human rights indicators part of target- and bonus systems?
7. Is specific support given concerning operations in risk countries?
8. Do supply chain policies include human rights and are risk suppliers identified?
9. Does your company communicate human rights expectations to suppliers or partners in the value chain?
10. Does the company have capacity building programs for partners in the supply- or value chain?

13 These indicators are also taken from ISO 26000 and Global Compact besides the UN guidelines and the OECD guidelines



4.4 Monitoring the effectiveness of the response

The company should track the effectiveness of their response to address adverse human rights impacts.

(UNGP 20, OECD guidelines 2011, commentary to Ch.IV Human Rights)

Indicators of good practice: *The company should develop quantitative and qualitative indicators, draw on internal and external sources for feedback, and integrate response effectiveness into internal reporting processes.*

Check the following questions:

1. Does your company have performance indicators for monitoring results and effects of its human rights policies and activities?
2. Are these performance indicators qualitative and quantitative?
3. Does your company have procedures in place for tracking responses with potentially affected groups and other relevant stakeholders?
4. Does your company check its suppliers' compliance with the company's human rights policies?
5. Does your company have performance indicators for its suppliers?
6. Does your company require that its suppliers take specific action towards their own suppliers?
7. Does your company involve suppliers in the development of its supplier policies and activities?

4.5 Communication and reporting

A company should communicate externally how impacts are addressed.

(UNGP 21 and OECD guidelines Ch.IV, commentary)

Indicators of good practice: *The information should be accessible to the intended audiences, especially those affected by the company. This infor-*

mation must also be accurate and sufficient to evaluate the adequacy of responses. Furthermore, codes and policies should be disclosed, and the information supplied should include indicators as to how enterprises identify and address adverse impacts on human rights. Formal reporting by enterprises is expected where risks of severe human rights impacts exist.

Check the following questions:

1. Does your company communicate on its human rights policies and results through publicly accessible means such as the company website and brochures?
2. Does your company in its annual reporting use the performance indicators on human rights of the Global Reporting Initiative (GRI)?
3. Does your company communicate directly with (potentially) affected groups?
4. Is your company in direct dialogue with (potentially) affected groups?
5. Does your company communicate specifically on:
 - a. company policies and codes
 - b. company performance indicators and results
 - c. company dialogue with potentially affected groups
 - d. company specific actions in remediation of negative impacts

4.6 Remediation

The company takes appropriate action where it has caused or contributed to negative impact or uses its leverage where negative impact is directly linked to its operations, products or services by its business relationship with another entity.

(UNGP 19b, principle 22 and commentary, OECD guidelines 2011, General Policies 11 and 12).

Indicators of good practice: *The responsibility for addressing impacts ought to be assigned to the appropriate level and function within the com-*



pany, and internal decision-making, budget allocations and oversight processes should enable effective responses. Where remediation is needed and the company has caused or contributed to negative impacts, the company should provide for or cooperate in their remediation through legitimate processes and take appropriate action in order to mitigate adverse impact.

Where negative impact is linked to its operations, products or services by its business relationship with another entity, the company should use its leverage with this business relationship (e.g. provide support and advice to suppliers, increase leverage by forming partnerships with sector associations). Where the company has not itself contributed to the negative impact but is directly linked through its business relationships, it does not itself have to provide remediation but may take a role in doing so. Where serious breaches persist, companies should only terminate a supplier relationship after reasonable attempts have been made to work with the supplier to implement improvements, and after it has considered whether terminating the relationship would in fact have adverse human rights consequences.

Check the following questions:

1. Does your company have a policy and procedure to act in case of negative impact caused by its own operations?
2. Does your company have a policy and procedure to act in case of negative impact in its supply chain?
3. Does your company cooperate with others to increase its leverage in case of remediation of negative impact?
4. Is your company aware of specific processes and activities that are a high risk to negative impact? Is it working on improvements?

4.7 Grievance mechanisms

The company ensures remediation through legitimate processes, such as an effective grievance mechanism to identify impact and to address grievances.

(UNGP 29 and 31; OECD guidelines, commentary to Ch.IV Human Rights)

Indicators of good practice: *The company should not preclude access to judicial or non-judicial grievance mechanisms. Criteria for an effective grievance mechanism are that it should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.*

Check the following questions:

1. Does your company have a grievance mechanism?
2. Is the mechanism accessible for both employees as well as relevant external stakeholders?
3. Is complete confidentiality guaranteed by the mechanism?
4. Does your company use the grievance mechanism to evaluate and adapt policies and practices?
5. Is the grievance mechanism actually being used?



5 Current status of implementation of the principles in the Netherlands

This chapter takes a closer look at the current situation in the Netherlands. How do Dutch companies and institutional investors deal with human rights within their corporate social responsibility strategy? The main outcomes concerning companies and financial institutions in the implementation of a human rights policy are presented here.

The present chapter will describe the following areas as based on international guidelines and listed in the previous chapter: policy, assessing potential and actual impact, integration, monitoring the effectiveness of the response, communication and reporting, remediation and grievance mechanisms.

For each of these areas, the discussion will treat the following elements in a set pattern:

- introduction to the area (based on the UNGP and OECD Guidelines)
- publicly reported practices in the Netherlands (based on quantitative research)
- main challenge (derived from interviews and the round table)
- good practice examples (derived from interviews and the round table)
- overview of findings of current practices based on the interviews, round table, public information, main challenges and good practice examples

For further guidance on good practices on the implementation of the UN Guiding Principles, we refer to the Guidance Tool “How to do Business with respect for human rights” of the Business & Human Rights Initiative of Global Compact the Netherlands, 2010.



5.1 Policy

“The policy reinforces internal support and sends a message that this topic is taken very seriously both in the investment process as well as in our own corporate responsibility” (Robeco)

5.1.1 Introduction

Every responsible company has mechanisms to ensure that it complies with the law, be it (inter)national or local. More is required, however, to ensure that human rights are respected. A policy expresses the company’s commitment to assume its responsibility to respect human rights. It is the first step and provides the basis for publicly affirming company values and embedding the responsibility into company operations and business practices.

Companies are increasingly demonstrating their respect for human rights by referring to and using human rights standards or guidelines in their code of conduct or business principles.

5.1.2 Current practices in the Netherlands

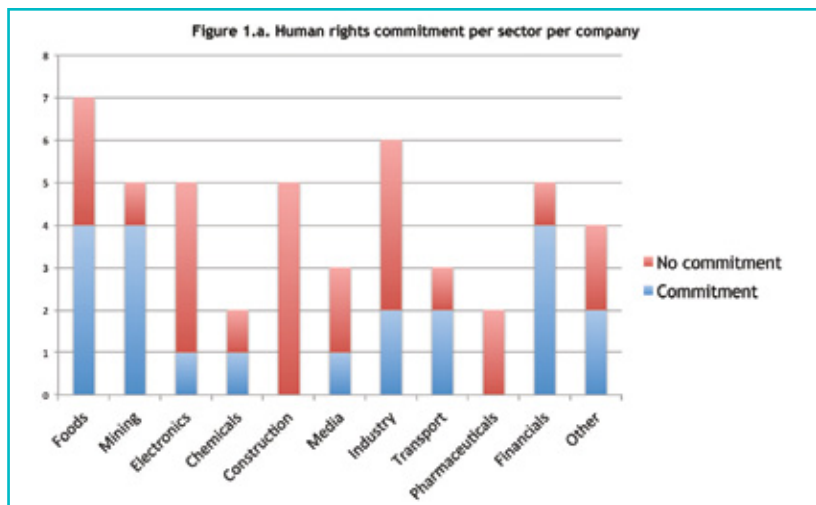
Twenty-one (45%) of the companies examined, commit to human rights in their codes or business principles. This appears to indicate a greater awareness by companies of the importance of human rights in their operations. It should be remembered, however, that these are the largest publicly listed companies. PwC’s recently published Sustainability Barometer of 226 companies, nearly half of which have less than 250 employees, shows a less optimistic picture. Only 32% of the companies on the barometer have a human rights policy.



Besides the twenty-one companies, another three companies just referred to human rights in their annual or sustainability report alone without a policy commitment to them. Yet another six companies made a commitment for their supply chain, but not for their company themselves. Another eight made a commitment to labour rights in their own code of conduct (3) or in the suppliers' code (5). These seventeen companies have been excluded from figure 1 above, because they show a weaker commitment to human rights than the twenty-one companies that committed to human rights in their code of conduct (figure 1).

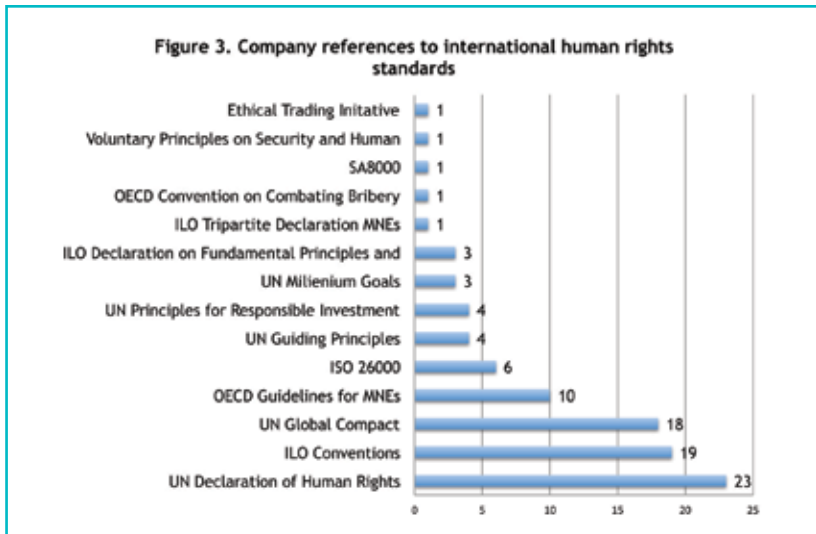
Prohibition of child labour was most often mentioned in the codes (figure 2). On the whole the content of the policies was more elaborately described for the supply chain.

A difference between sectors can also be noted (figure 1a). Most companies in the mining, and financial sectors commit to human rights. The mining and financial sectors are known to be quite advanced in their integration of human rights and are involved in sector initiatives, cooperating with the implementation of the policies. In the construction, pharmaceutical and chemical sectors, however, human rights are still quite low on the agenda. From the electronic sector a larger commitment would have been expected, since many companies joint international initiatives, which deal with labour issues as well as community issues (also annex 2).



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Since a reference in human rights commitments to internationally recognized standards is an indicator of good practice, this factor was also examined. Most companies referred to the United Nations' Universal Declaration on Human Rights, the core conventions of the International Labour Organization and the UN Global Compact.



5.1.3 Main challenge

Developing a policy on human rights first requires awareness within the company that such a policy is needed. At present, there is little awareness that companies can potentially impact all human rights. Awareness often is limited to labour issues for the employees within the company, which is reflected in human resource policies. Much work remains to be done for the other human rights issues and supply chain policies. To have an effective policy, the main challenge is to make the human rights agenda a priority for management.

5.1.4 Good practice examples

ASN Bank, Human Rights Position Paper and Policy

In November 2011, the ASN Bank launched its human rights issue paper, which describes the criteria used for its investments and operations (this includes amongst others employees, clients and suppliers). ASN's policy is based on the International Bill of Human Rights and the UN Guiding Principles for Business and Human Rights. The criteria are used in sustainability research for determining the countries and corporations in which ASN can invest. The criteria also supply input for dialogue with corporations and ASN's voting policy at shareholder meetings. There are both general criteria (e.g. does the company have a supply chain policy aimed at preventing human rights violations?), as well as specific criteria for human rights issues such as discrimination (does the company explicitly exclude discrimination?). ASN also looks at specific activities which she excludes (such as weapons). Before examining a company ASN Bank establishes whether it is active in (high) risk countries or sectors. Based on this risk assessment it then tests the company against the relevant criteria.

The process used to formulate the policy was highly participatory. Clients and NGOs could give feedback on the drafts, and were in direct dialogue with the bank about its policies and the dilemmas it faced. ASN received very positive feedback for doing so.

For more information or for the policy documents see: www.asnbank.nl (Dutch Policy is available on the website, the English version on request)

HEINEKEN, Employee's and Human Rights Policy

In December 2011, HEINEKEN launched its Employee's and Human Rights Policy, endorsed by its Executive Board. This policy applies to all operating companies and subsidiaries where Heineken holds a majority share or had management control as of January 1, 2012. In this document, HEINEKEN refers directly to the International Bill of Human Rights and the ILO Fundamental Conventions. The policy describes how HEINEKEN will implement and integrate it throughout the corporation, such as by setting up proper grievance procedures. Furthermore, the policy gives a clear description of a number of important human rights issues to further guide for the process of implementation. These issues include: non-discrimination, freedom of association and the right to collective bargaining, forced labour, child labour, working hours, remuneration, health and safety, harassment, training and personal development, security and non-complicity in human rights violations. Water usage is a separate part of the sustainability program (Brewing a Better Future) of HEINEKEN. The possible human rights impact on local communities is not covered.

5.1.6 Overview current practices

- Many companies are making some form of commitment to human rights, either in the report, in the suppliers' code of conduct or only to specific labour rights. Companies are expected to make more elaborate and complete policies regarding human rights.
- Few companies have a specific human rights policy. Commitments are usually part of an overall policy, which also includes environmental commitments, commitments on corruption and other business principles. Usually they are very short statements. Sometimes the suppliers' code of conducts are more elaborate.
- Few companies consult external stakeholders or their own employees while drafting the policy.
- Few companies give further guidance to their own personnel or business partners how to implement those policies.

- Some larger companies also join a sector initiative or a multi-stakeholder initiative, where standards are developed considered relevant for their sector (annex 2). Labour rights are usually included in these standards, not all human rights.
- Companies find it a challenge what to describe in the policy, which topics and which guidance. As we have seen in figure 2, companies tend to select child labour as topic in the policy, while other topics may be much more at risk in their specific business.
- Most companies expect human rights risks not to occur in their own operations but in their supply chain. That is why human rights is often taken up in supplier codes of conduct only.

5.2 Assessing potential and actual impact

5.2.1 Introduction

While companies are often familiar with conducting environmental impact assessments, measuring the impact of their activities on human rights has proved to be another challenge. If it does not know its impact, a company cannot be sure it respects human rights. Assessment is not a matter of responding to negative impacts identified by others. Instead, impact assessments are intended to help a company to determine proactively what the potential and actual consequences of its business activities on human rights are. They not only measure what negative impact occurs in the supply chain, but begin by examining a business's own activities in management processes that may contribute to negative impact. An assessment does not only look at the direct employees, but also at other potentially affected stakeholders such as the communities around the enterprise's facilities and the workers of other enterprises in its value chain (insofar as they can be affected by the company's actions and decisions)¹³. As a reference point, an impact assessment should include all internationally recognized human rights.¹⁴ The benefits of doing a systematic and proactive impact assessment are as follows:

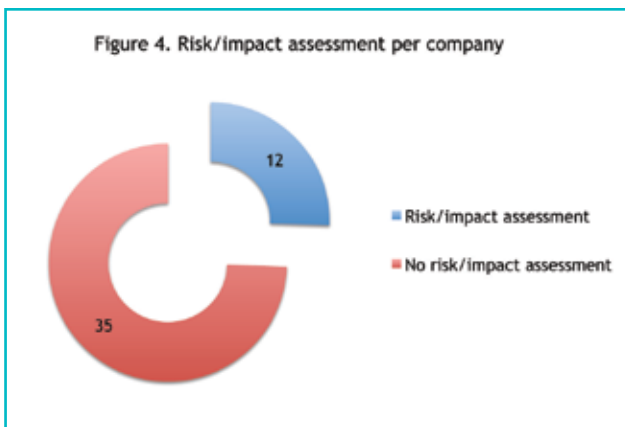
13 More information: the interpretative guide of the Office of the High Commissioner for human rights, November 2011

14 UN Guiding Principles on Business and Human Rights 18

- It gives information to determine the focus for the company policy (which human rights are particularly important for its type of business?)
- It helps to prevent and mitigate actual impact, for example, by adapting management purchase processes or understanding which suppliers need support.
- It aids the establishment of indicators for the areas where changes are needed. For example, if a company knows that discrimination is a particular risk in a certain country, it can develop measures for its own operations in that country or for raising its suppliers' awareness.
- It helps to set priorities for monitoring and remediation. For example, discrimination of a minority is generally limited to a few countries or even specific geographical areas.

5.2.2 Publicly reported practices

Twelve of the 47 companies carry out some form of risk assessment by determining the risk of violation of their business principles or code of conduct. The inclusion of human rights or specific labour rights in a policy can be considered a first step in human rights risk assessment. Most of these companies were assessing risks with their suppliers and used an audit system to identify actual impact or monitor compliance. Few companies systematically assessed the risks of their own foreign operations if they had them. And few companies have assessed which human rights are most at risk.



That companies rarely perform a human rights impact assessment as a separate process was confirmed by the interviews and the round table. Companies often reported including human rights impact in risk management procedures, in wider impact assessments on sustainability or in social actual impact audits of their supply chain. Some companies are now looking further down to the second tier of their supply chain; PwC's Sustainability Barometer reports that 51% of 73 companies examined are looking at the second tier. There were also some companies that reported using external tools, such as country risk assessment, that can also function as an indicator of human rights risks.

International cooperation is important to find solutions at sector level, and helps to identify the most relevant issues or risks for the sector. Annex 2 provides various examples on cooperations on sector level.

5.2.3 Main challenge

How to implement impact assessment?

Impact assessment is subject to a lot of debate. How is a good assessment made? What data are already available, and how reliable are these data? How can assessments be limited so that they can be processed with acceptable investments of time and costs? What is the definition of 'impact', and how do you measure a change in impact? Many companies use audits as the main tool to identify adverse impact. However, they acknowledge that social audits are limited in the information they provide and are very high in cost. Existing tools other than audits to identify potential impact are used very limitedly. Another challenge is formed by the assessments beyond the first tier of the supply chain, especially if the chain is extensive. Very few companies in fact know how their suppliers assess the impact in their own supply chain.



Several parties reported seeing cooperation as a solution. A prerequisite for such cooperation, however, is that everyone must use the same indicators. The same applies to auditing, since there is a lot of variation in audit questions and quality.

Mn Services experiences research into human rights often to be insufficient. The shortcomings can result from a variety of factors. For example, much information is based merely on web research. Emerging markets are insufficiently covered and depth is lacking. Furthermore, research institutions for risks and sustainability often lack experience and seniority when it comes to human rights. Research usually focuses on the environment rather than human rights, and on policy instead of implementation. A further impediment is that information is difficult to obtain, because companies do not report much on implementation. Finally, the information supplied by NGOs is not always reliable.

5.2.4 Good practice examples

The following presents two examples of companies that are specifically paying attention to human rights in their risk assessment (measuring potential negative impact) and their actual impact assessment.



Robeco, risk assessment at different levels

Robeco has its investment funds verified externally on the extent to which ESG factors are integrated in the investment processes. This verification, which is achieved by means of a fund classification process, also entails active ownership and exclusion policies that are applied to the investment funds. The fund classification process is conducted by Sustainalytics.

Companies' policies and practices on ESG issues are assessed using the SAM (Sustainable Asset Management) analysis. SAM assesses the relative performance of ESG policies by means of questionnaires and produces a score. According to Robeco, SAM uses criteria that are in line with the Ruggie framework as well as other international frameworks and guidance. Robeco's analysts receive the ratings and can see where a company scores well and where there is still room for improvement. To supplement the SAM scores, the analysts also examine analyses from EIRIS, an external data provider.

In addition to this, companies are examined with a view to establishing whether they have recently been involved in controversies (fraud, fines, scandals, etc.) and how this affects their relative ESG position.

Robeco furthermore commissions thematic research on annual basis, with 5 themes being selected per year. Robeco requires such research to be more than simply desk research, it includes a review of public documents and engagement with companies and other stakeholders as part of the gap analysis. Recently it commissioned Maplecroft to undertake a study on human rights, selecting this research institute because its approach combines human rights risks with country risks. It contains very detailed information on certain projects, including maps of the location, which promotes a good understanding of the issues and stimulates more effective engagement. They also engage with companies to verify the data.

“To assess impacts there is no one size fits all. Every situation is different, with different people and issues.” (Shell)

5.2.5 Overview current practices

- When human rights are taken into account in a risk or impact assessment, it is usually part of total environmental and social impact assessment.
- Companies often consider human rights risks to be the threats posed to them by negative human rights impact. The international guidelines, however, are about risks that the operations of a company pose to the rights of people.
- Audits are widely used as the instrument to measure actual impact in the supply chain, although such audits do not measure the company’s own contribution and often are not performed by experts on human rights.
- Companies are rarely analysing how their own activities may contribute to negative impact.
- NGOs are important to identify actual and potential impact, although there are doubts about the reliability of the information they supply.
- An example of using information from NGOs is given by G-Star, as they use country analyses done by multi stakeholder initiatives such as the Fair Wear Foundation and MADE-BY. Also G-Star uses local expertise to help supply up-to-date information in their three main sourcing countries. Because of the in-depth knowledge of the local situation this gives much more insights than just audit-reports.
- Wages and working hours emerge as central themes in risk assessment; community rights only play a role where they have been examined, which is only done in some sectors.
- The financial sector is most advanced in assessing human rights risks as part of the ESG criteria. Ways to assess these risks include issue analysis, together with sector analysis (usually outsourced to experts) and engagement.

- There is a lack of publicly shared (quantitative) data. When companies do publicly mention that they assess risks, the outcomes of such assessments usually are not shared.
- International cooperation is seen as important to help identify potential and actual impact. Where sector initiatives include attention to human rights, they often give good insight into the potential impact of the sector. Labour rights are usually mentioned as risk issues.
- Available tools, such as the Global Compact self assessment tool, were unknown or not used. Additional tools are also needed. Randstad had a new tool developed designed to identify the risks in 42 countries. Randstad first identified the most relevant human rights for the company on the basis of the Universal Declaration of human rights, and then combines the country risks with the company risks. This allows it to identify, for example, the risks incurred by discrimination in India.
- Stakeholders were sometimes being consulted, although the inclusion of local stakeholders and affected people in this consultation process still forms an exception. This helps to understand people's needs and local risks better. BAM experienced this when visiting a country together with BWI, the international trade union of Builders and Woodworkers International, as part of the International Framework Agreement. The process has enabled BAM to give extra support to local communities, such as road safety lessons for inhabitants when a new motorway was constructed.

“As part of the due diligence process, companies will need to identify their risks to society and the environment through impact assessments. This is not happening at a large scale yet, and companies are still regularly surprised by the cases of adverse impacts on human rights that we bring forward. In the future, companies should identify their adverse impacts and involve the affected stakeholders in the remediation of the problems. We as NGO can then take the role of offering guidance and support to local communities and affected individuals in this process of remediation.”

(SOMO)



5.3 Integration

5.3.1 Introduction

Once companies are aware of their potential impact on human rights, they need to act. How can companies prevent actual impact and implement their human rights policies? How can they, as Ruggie puts it, ‘walk the talk’? A condition for implementation is that policies are known and widely supported by management, staff and business partners. In terms of practice, this means implementing human rights into management systems, including training, performance appraisal, bonus systems, the tone at the top, control and oversight systems, etc. Knowing the impact will help to adjust the management system, and to provide focused support and take appropriate action where necessary. To ensure respect for human rights, companies can include human rights into these systems or install additional processes where necessary. This chapter will only discuss the preventive measures companies are taking to mitigate risks. Chapter 5.6 will further treat appropriate action companies are taking in cases of negative impact.

Shell experiences the translation of human rights into a language that is recognized by its employees as one of the challenges in the implementation of human rights. As a Shell representative reports: “It works best if we talk about security, labour rights, or supply chain and use words like “respect” and “dignity”. In many countries human rights is perceived as a political issue of which companies want to stay clear. In those situations human rights language does not help, but when we talk about day-to-day business and mention, for example, security of our personnel, then we have a conversation.”

5.3.2 Publicly reported practices

Companies hardly communicate publicly on how well they are doing with the integration of their policies or the adjustment of management systems to mitigate risks. In the absence of information from public sources we could not make a quantitative analysis.



5.3.3 Main challenge

Integration in the daily business is the main challenge for all companies interviewed.

The protection of human rights has long been an area for governments, international institutions (e.g. UN, ILO) and non-governmental organisations (NGOs). Now common consensus is that businesses also have a responsibility to respect human rights. Processes for integration have been laid down in the authoritative guidelines of the UN and OECD. However, companies still face a ‘translation’ challenge in the implementation of human rights into their daily business operations. The knowledge and understanding of human rights is often lacking internally or concentrated with one or two people. Human rights are commonly associated with political rather than business issues. Since human rights touches upon a broad range of business activities, translation is needed into the field of business development, sourcing, human resources, compliance etc.

Respect for human rights also requires more than “social compliance”, a term commonly used in CSR policies. Human rights can be relevant to economic and environmental aspects of corporate activity as well. For example, labour rights requiring companies to pay fair wages affect the economic aspect. Human rights such as the right to non-discrimination are relevant to the social aspect. And the environmental aspects of corporate activity might affect a range of human rights, such as the right to adequate standard of living.

5.3.4 Good practice examples

Communication on integration of human rights policies and adaptation of management processes still need further development. However, several companies do have interesting activities that also benefit human rights performance. The following examples were encountered in our research:

- a training programme developed for personnel (by IEPECA, the International Petroleum Industry Environmental Conservation Association)

- supplier capability events by AIM PROGRESS, the international forum of consumer goods companies (of which Unilever is a member)
- training of suppliers by the Business Social Compliance Initiative (many Dutch companies join this initiative)
- questions from clients are a strong stimulus for agenda setting and change. KPN thus prepares its tender desk for questions about CSR and human rights. However, KPN has also observed that many clients ask these questions as a sort of formal exercise and not an issue of concern in contract discussions.

The companies interviewed within the financial sector have human rights quite high on the agenda, because they see it as an important risk for their investments. Therefore, serious steps are taken to integrate human rights into the business. They also indicated that they had not yet reached full implementation. Two of the approaches they are taking are presented below as examples.

Robeco, making human rights material

Robeco is convinced that the integration of ESG criteria leads to a better assessment of companies, an improved risk management and the identification of new opportunities. How exactly these environmental, social and governance criteria are integrated is a part of each product's information package. When analysts evaluate credit risk, they not only consider various economic and risk factors, but ESG factors play an explicit role as well. The integration of ESG factors in particular is progressing in key sectors. An important point of discussion is the materiality of the human rights violation, which is always one of the many factors in making decisions. Robeco continues to bring awareness to its analysts and portfolio managers of the importance of human rights. A bad human rights record usually says something also about the company's governance in general, and the other way around. Robeco is convinced of the importance of showing that human rights risks are material.

PGGM, responsible investment as part of the company's DNA

For PGGM, responsible investment is part of the organisation's identity and integrated in all investment processes. For the moment the ESG expert team still has an important role, but that role will increasingly be handed over to the investment teams themselves. PGGM proceeds on the basis of cooperation between the investment teams and the ESG expert team. The organisation creates internal ambassadors and promotes knowledge sharing by cooperation, business activities, and needs translation into the field of business development, sourcing, human resources, compliance etc. Respect for human rights also requires more than "social compliance", a term with which companies are more familiar with in their CSR policies. Human rights can be relevant to economic and environmental aspects of corporate activity as well. For example, labour rights requiring companies to pay fair wages affect the economic aspect. Human rights such as the right to non-discrimination are relevant to the social aspect. And the environmental aspects of corporate activity might affect a range of human rights, such as the right to adequate standard of living.

PGGM continually develops the integration of human right issues in investment processes as well as its own engagement policies. Since 2011, PGGM has broadened the scope of its engagement from a purely thematic engagement to a combination of thematic and sector engagement. Whereas human rights used to represent one of several themes in engagement and was discussed with companies in this thematic setting, as of 2011 PGGM discusses human rights with companies as one of the relevant environmental, social and governance (ESG) subjects in the sector. A benefit of this new approach is that PGGM can now have a higher quality conversation on more strategic issues with companies. In this dialogue, PGGM can use insights from benchmarking company performance against other companies in the sector and sector-specific standards and best practices. The broadened scope further allows PGGM to improve the assessment of shareholder value and risks. It is anticipated that engagement activities therefore will lead to an increase in quality and effect.

5.3.5 Overview current practices

- Integration requires leadership from the top. All companies we talked to have human rights policies which have been endorsed at top level, which is an important first step for integration.
- Companies are working hard on the integration of human rights, and none of the companies we have spoken to has found the perfect answers yet. One of the main challenges is to find the key to translate human rights issues into the daily operational language of the company.
- Usually the specialized CSR officers in the company deal with human rights. Depending on background, education and personal motivation, they have more or less knowledge and understanding of human rights. They see it as an important role of theirs to integrate human rights in the business, and support the other staff that needs to use and adapt the company's management systems and processes.
- We have not found companies who have salaries or bonuses depending on the performance on human rights. Some are starting with rewards on sustainability in general. Since hardly any targets are set on performance, it is also difficult to appraise and measure good performance. If targets are set, they are usually set on the number of audits.
- Integration requires that people see the business case of human rights. Younger employees seem more intrinsically motivated to pay attention to sustainability, including human rights. They like to work for “a responsible” company.

5.4 Monitoring the effectiveness of the response

5.4.1 Introduction

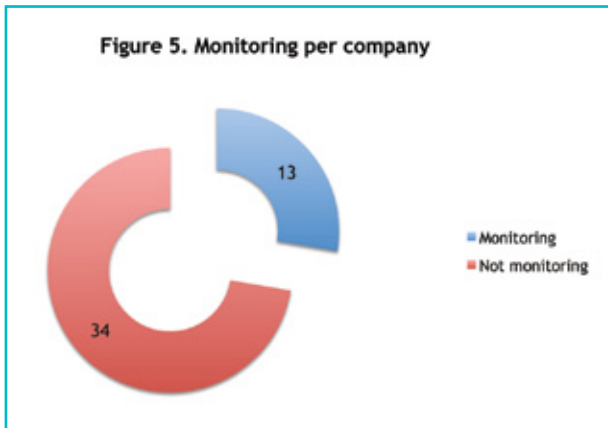
This section deals with tracking and measuring how the company has responded to potential and actual human rights impact. Good monitoring and evaluation depends on priorities, targets and goals and indicators that have been set. These are essential for internal measuring and managing human rights impact, and for understanding how successful risk prevention or remediation has been. The company also needs to set indicators to be able

to account for its success in respecting human rights. Companies can develop different methods to measure performance. Commonly used methods include self-assessments, audits, stakeholder consultation and action plans for specific themes, countries or business operations. The effectiveness of grievance mechanisms can also be measured.

5.4.2 Publicly reported practices

Thirteen of the examined companies stated publicly that they monitored their impact on human rights violations. Setting targets and developing qualitative and quantitative indicators happens to some extent. A few companies use indicators of the Global Reporting Initiative. Most often quantitative indicators are used, such as the number of audits or self-assessments of suppliers, number of grievances and number of accidents. Compliance was frequently monitored by the companies' chief legal officer, regional presidents, code of conduct compliance officers, board of management, audit committee or independent third parties. It should further be noted that three companies explicitly expressed their desire to monitor compliance in the near future, although they were not doing so yet. The financial sector does monitor its integration of ESG criteria, but not the effectiveness of that integration.

Many companies mention their so-called 'whistleblowing policy' as a monitoring instrument for violations of the code of conduct. Companies do not report whether it is used as such for human rights, therefore this is not included as monitoring.



5.4.3 Main challenge

No companies were found that formulate targets and performance indicators on the effectiveness of their policies and activities on human rights. This also counts for financial institutions that have not set targets and indicators for the effectiveness of their engagement policies. Since targets and indicators for effectiveness are the basis for monitoring, there is a long way to go yet.

5.4.4 Good practice examples

Most companies combine mitigation, remediation and tracking functions by using audits and corrective action plans.

The good practices of monitoring are all found in the field of supply chain auditing. Often companies work together in a sector initiative to monitor compliance. The two examples below reflect some of the better practices in the Netherlands. Everyone, including the companies themselves, is aware that this is not yet the most effective way of monitoring the response to potential or negative impact.

KPN, Supplier procedure

KPN has a supplier procedure that consists of two elements: self-audit and audits by a third party. The third party audit is KPN's monitoring procedure.

In the first period of JAC's existence, a trial of 33 audits was effected on ICT suppliers in Asia, Eastern Europe and South America, covering a total of 155.000 workers. In these trials, a list of 4000 audit questions was checked. A small number of non-conformities and various types of non-compliances were found, mostly relating to working hours, health and safety and wages. A few cases of discrimination and juvenile work were also discovered. The resolution time for incidents of non-compliance varies by type, where issues of working hours (the limits relate both to regular time and to overtime) in particular require several months to be resolved due to the impact on Human Resources Management.

“Our cooperation in GeSi is very positive. We develop instruments that are publicly available for everyone in- and outside the sector. This is possible because we see CSR and human rights as non-competitive issues that need to be taken up jointly. We see the extension of our procedure to third party audits as an important step to create more and more cooperation with our suppliers towards improvements in the supply chain. This is an intense, but necessary and inspiring way to go with our 1400 suppliers in total.” (KPN)

Mn Services, indicators for progress in the process of engagement

When a dialogue fails to yield results or a company continues to refuse dialogue while serious breaches of the UN Global Compact principles persist, Mn Services can decide to implement an 'engagement led divestment'. Mn Services does not set specific targets for engagement; but evaluates the process and considers that the following represent positive signs that a company is making progress:

- the company acknowledges that there is a problem
 - the company engages with trade unions and/or with communities
 - the company makes its own risk analysis
 - the company allows alternative means of worker representation in cases where freedom to association is restricted
 - the company acknowledges that it has responsibilities towards the government
- Mn Services requires that clear progress be visible after approximately 3 years of engagement.

5.4.5 Overview current practices

- Compliance is the goal, while compliance assumes clearly defined indicators.
- Few companies are monitoring their performance on human rights.
- Although companies recognize the importance of measuring the effectiveness of their efforts, they are still struggling finding solutions how to do this.
- Financial institutions try to effect changes in companies behaviour by means of engagement. Some financial institutions are starting to develop targets and indicators for the effectiveness of their engagement programs. For example Robeco sets targets before entering a process of engagement with a company, and sets a threshold for determining successful compliance. Usually the process lasts 3 years.
- However it is questionable if the strategy of engagement and dialogue allows for formulation of quantitative targets and performance indicators.
- In their supply chain approach most companies combine assessing actual adverse impact, mitigation, remediation and tracking functions by using audits in the supply chain followed by corrective action plans.

- An audit is done once in a few years, or in case of non-compliance sometimes yearly. When no non-compliances are found, companies assume that changes have been made. Targets are set at the number of audits, while audits not necessarily resolve the problem. No targets are set at impact level.
- Some companies have very ambitious goals regarding the amount of audits. Ahold intends to perform a social audit on all suppliers for its own brands (a few thousand) whose last stage of production is in risk countries. The audits will be carried out according to the Business Social Compliance Initiative (BSCI) or equivalent programs. The intention of the improvement-based social compliance program is to ensure that suppliers are committed to and engaged in improving working conditions in their facilities.
- To decrease the audit-burden upon suppliers, monitoring more often is done jointly at the international level by sharing audits of suppliers.
- Building a relationship with the supplier is recognized as important.

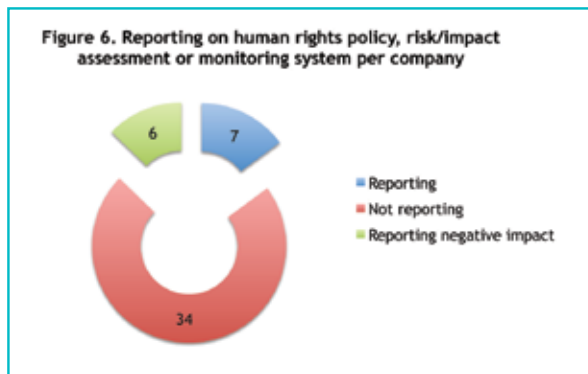
“The results of social audits in the supply chain and the cases of human rights violations identified by NGOs and trade unions are sometimes not matching. This indicates that companies investing in the improvement of conditions in the supply chain rely too much on social auditing mechanisms that have fundamental shortcomings in their ability to identify the realities on the ground. It would be much more effective if companies involve NGOs and local stakeholders in all stages of the supply chain approach, from code development, to implementation and monitoring and verification.” (SOMO)

5.5. Communication and reporting

“Transparency is one of PGGM’s core values. We strive for openness, although in the process of engagement it is sometimes most effective to keep elements of the dialogue confidential” (PGGM)

5.5.1 Introduction

Transparency is an essential element of corporate responsibility and part of the due diligence process. All relevant standards now emphasize that companies should show that they respect human rights in practice and how they address impacts. In Ruggie’s words: Human rights due diligence can be a game-changer for companies: from “naming and shaming” to “knowing and showing.” Naming and shaming is a response by external stakeholders to the failure of companies to respect human rights. Knowing and showing is the internalization of that respect by companies themselves through human rights due diligence. Official reporting is part of the due diligence and one way of showing respect for human rights. It is important is that affected stakeholders are informed. When there is negative impact, companies should report officially how these impacts are addressed. Financial institutions and clients want to know how companies are implementing their policies on human rights. Being well prepared for those questions by taking the steps of the due diligence process and collecting relevant data are parts of the proactive approach that is increasingly expected of companies.



5.5.2 Publicly reported practices

Although almost one-third of all the companies examined mention that they have a human rights policy, risk/impact assessment or monitoring system in their report, only six companies actually provide information on the way they have addressed negative impact on human rights or, in the case of one company, labour rights (figure 6).

Moreover, companies often did report on their environmental impact, but not their human rights impact.

5.5.3 Main challenge

How to communicate externally on human rights?

Companies use different mechanisms to communicate about human rights, including dialogue with NGOs or trade unions, participation in (inter) national meetings, website reporting or in annual CSR reports. Written communication in particular is a challenge. The Global Reporting Initiative (GRI) has adapted its performance indicators to the UN Guiding Principles on Business and Human Rights . Although this offers a basis for reporting on human rights, companies hardly integrate human rights in their GRI reporting yet. This implies a lack of insight into the place of human rights in the disclosure on management approach, in priority establishment and in stakeholder dialogue.

Not surprisingly, companies and NGOs feel that what is missing is reporting on the central issues and dilemmas faced by companies in the implementation of human rights and on their human rights dialogue with their stakeholders.

5.5.4. Good practice examples

Some good practices are described below. These companies are transparent regarding the process they are in, and Unilever even reports how they address impacts. All the same, these companies have not set their targets at impact level, so that the results reported on for the most part concern the quantity of their efforts.

PGGM, transparency as a core company value

PGGM considers transparency to be very important. Being open and honest about what you are doing is vital for long-term relationships based on trust - particularly in the financial world. PGGM thinks it is important for pension funds to take the initiative in terms of transparency, because the participants of pension funds are entitled to know how their contributions are being invested. This means that participants have to be able to understand how investment policies translate into investment portfolios. PGGM also believes that it must be able to explain with which organizations it chooses to work and what it expects from these parties. Consequently, PGGM supports clients in disclosing this information. To also inform other stakeholders PGGM discloses information via its website and publications. The latter include several responsible investment policies and quarterly report as well as position statements. Furthermore, PGGM publishes an annual report on responsible investment which, among other things, outlines the results it has achieved and provides details on its engagement activities. The results are measured by quantitative performance indicators, such as progress on PGGM's integration of ESG (in % of its total assets under management), targeted ESG investments, the number of companies with which it is in direct or indirect engagement and exclusions. Qualitative information is also provided, including descriptions of specific sector engagement policies and company cases of engagement.

Unilever, communication and transparency

Unilever has several means to communicate on sustainability and human rights. For example, it reports quite elaborately on its website, whose most important pages related to human rights can be found at: www.unilever.com/sustainable-living/ourpeople/rights/. On these pages, Unilever elaborately confirms its commitment to human rights, but also explains the process it is undergoing to review its current approach. Between 2006-2009 Unilever has been the subject of 5 complaints filed by the IUF and the Turkish transport union TUMTIS. Under the terms of the OECD guidelines for multinational enterprises, the unions referred their complaints to the OECD national contact points in the UK and in Turkey. The complaints were involving the labour rights of workers in Unilever's supply chain. Unilever communicates on the content of the complaints, and the action it has taken and is taking to resolve these issues.

Furthermore, Unilever actively seeks dialogue with different stakeholders, including critical ones. On its website, it informs its stakeholders also in written form how it is responding to the allegations and what actions it has taken to remedy negative impact.

Lately, Unilever has also taken an unprecedented step together with Oxfam to undertake an independent study to assess the labour standards in its supply chain in Vietnam in the context of international standards and local conditions. The study aims to contribute to the development of a set of principles and measures that will enable Unilever and other companies to meet their social responsibilities as a complement to the more well-defined environmental metrics that are available. Oxfam will publish the findings of the study and any recommendations arising from it in 2012.



5.5.5. Overview current practices

- Different frameworks for external communication on human rights are being used, for example Global Compact and GRI. Although none of these frameworks is already used very often.
- the companies that describe their impact assessment and monitoring, do not report on the outcome, probably because no targets were set in advance.
- other forms of communication than reporting are becoming more usual, such as stakeholder dialogues with NGO.
- companies that have been accused of negative impact on human rights in the media, report publicly how they have dealt with these accusations and some report also how they address the impact when it is there.
- Stakeholders often mention that they would like companies to be more open about the dilemmas they face and the choices they make. Understanding for choices made and for the process companies undergo leads to better communication.

5.6 Remediation

5.6.1 Introduction

Even with the best policies and practices, a company may cause or contribute to an adverse human rights impact that it has not foreseen or been able to prevent. In this case a company should engage in remediation by itself or in cooperation with others. In case of negative impact caused by suppliers it is often difficult for a company to decide on the borders of its responsibilities. The first question to ask is whether the company contributed to this impact. Often it has not, but the impact can nevertheless directly linked to its operations, products or services by its business relationship with the supplier or sometimes the government. What action the company is expected to take depends on leverage and cruciality of the relationship. This has been described in the following useful scheme:

Figure 7: Decision-making tool for setting the boundaries of a company's responsibilities

	Have leverage	Lack leverage
Crucial business relationship	<p>A</p> <ul style="list-style-type: none"> mitigate the risk that the abuse continues/recurs if unsuccessful 	<p>B</p> <ul style="list-style-type: none"> seek to increase leverage if unsuccessful, seek to mitigate risk that the abuse continues/recurs if unsuccessful, consider ending the relationship¹⁴ or be able to demonstrate efforts made to mitigate abuse, recognizing possible consequences of remaining.
Non-crucial business relationship	<p>C</p> <ul style="list-style-type: none"> try to mitigate the risk that the abuse continues/recurs if unsuccessful, take steps to end the relationship¹⁵ 	<p>D</p> <ul style="list-style-type: none"> assess reasonable options for increasing leverage to mitigate the risk that the abuse continues/recurs if not possible or not successful, consider ending the relationship¹⁶

Source: The Corporate Responsibility to respect human rights, an interpretive guide, United Nations office of the High Commissioner for human rights, 2011

Even when companies have taken preventive measures to avoid negative impact, this impact may occur. How the company responds to negative impact will affect the company's reputation and access to capital, since this is where stakeholders, including the financial institutions focus their attention. This paragraph describes the current practice of the different mechanisms of remediation that are being used. First of all, working through or with NGOs or trade unions, which have pointed out negative impact to companies. Secondly, the use of grievance mechanisms. Thirdly, in case of negative impact within the supply chain, through corrective action plans after audits.

14 Where the relationship is deemed crucial, the severity of the impact should also be considered when assessing the appropriate course of action

15 Decisions on ending the relationship should take into account credible assessments of any potential adverse human rights impacts of doing so

16 Idem



5.6.2 Publicly reported practices

Companies hardly publicly communicate on what they are doing concerning acts of remediation. Therefore we have not been able to deduct this information from public sources, and no quantitative research has been executed.

5.6.3 Main challenges

a. Cooperation with NGOs

Companies are not always familiar with cooperation with non-governmental organisations (NGOs). Some don't even consider the option. Nevertheless, in recent years there is an increase in cooperation between companies and NGOs, also in the field of human rights. Sometimes in the form of multi-stakeholder initiative, while in other cases more on an individual basis. The Netherlands has a culture of dialogue and consensus, therefore cooperation between different stakeholders in the area of social responsibility is more and more common. The challenge is to overcome the differences in order to extend this cooperation to joint remediation.

The advantages of working with NGOs include the expertise they provide, the local and international networks they have access to, and at times the tools they have developed for due diligence on human rights.

b. Making the grievance mechanism accessible for all human rights issues and all those affected

Grievance mechanisms are not always accessible for internal complaints about human rights. Neither are grievance mechanisms always accessible for people in the local communities that are affected by the company's operations. According to the UN Guiding Principles grievance mechanisms should be open for all those affected. The challenge is how to ensure that the existing mechanisms are transformed in such a way that it can be used for human rights and accessible for workers in the supply chain.



c. In the supply chain: corrective action plans may not be sufficient to address the root causes of negative impact.

Impacts most often mentioned by companies are too long working hours and too low wages for the employees of their suppliers. These impacts can most effectively be addressed when looking at the causes and addressing the questions, such as why does this happen? Do purchasing practices possibly contribute to negative impact? Are long working hours and low wages caused by high pressure on deliveries, or pushing prices down? Are low wages the cause of long working hours, do workers need to earn more than a basic wage by working long hours? A corrective action plan usually does not answer these questions. Suppliers are expected to comply. What if the supplier is not capable or willing to comply? The challenge is to take appropriate measures to support or encourage and advice suppliers.

“In our supply chain approach we work with audits and improvement plans in which buyers as well as suppliers are involved. Stepping out of a relationship usually does not work, since it only leads to loss of influence. Local anchoring is very important in the process of improvement. Stimulation of dialogue, improvement plans and concrete placement in management systems are key.” (ICCO and Fair Wear Foundation)

5.6.4 Good practices

a. Cooperation with NGOs in the supply chain

Since we have not been able to identify a good practice example with the Dutch companies we interviewed or in public information, the HP example was selected.

SACOM and HP working together¹⁷

Hewlett-Packard (HP) manages an extensive supply chain in the Asia-Pacific region and is the world's leading technology company by sales. HP applies the EICC (Electronic Industry Citizenship Coalition) labour rights standards for its suppliers.

HP had been working on compliance with the industry's corporate responsibility standards through audits, but still major abuses remained in Chinese supplier factories. Compliance-based auditing has had a very limited impact on improving conditions for workers. At the heart of the problem is workers' poor access to justice through legal means and a lack of workplace-based grievance procedures.

Between 2007 and 2009, HP and SACOM (Students & Scholars Against Corporate Misbehavior), a Hong Kong based nonprofit organization, collaborated on a worker training program at Delta and Chicony Electronics -- two HP suppliers in the Pearl River Delta in Guangdong Province, South China. Approximately 4,500 frontline workers and managers of different levels actively participated in training sessions.

The training methodology sought to improve the functioning of factory systems by including workers' as well as managers' feedback in resolving problems. For sustainable improvement of working conditions, workers at direct and subtier suppliers need to be involved in the day-to-day monitoring and implementation of labour standards.

The most important result of the training at both factories was that workers learned they had the power to influence their working conditions. Their growing confidence was demonstrated by 126 incoming hotline calls and dozens of questions raised in the NGO training sessions between September 2008 and May 2009.

17 ICCR's Social Sustainable Resource Guide, Building Sustainable Communities through Multi-Party Collaboration, 2011, which looks specifically at the impact of the efforts. What changed after the intervention?

Worker-rights training now is a key HP focus in capacity building for suppliers. Since the completion of the initial training program with SACOM, HP has participated in further efforts to train Chinese and south-east Asian factory workers on EICC labor rights and has established additional independent worker hotlines. To date, HP has taken part in the training of over 10,000 workers on EICC labor rights, and will continue to contribute to improvements in employee awareness in our supply chain.

b. Grievance mechanisms

AkzoNobel, Code of Conduct & Corporate Complaints Procedure (SpeakUp!)

AkzoNobel's values and business principles are reflected in the AkzoNobel Code of Conduct. Every AkzoNobel employee has a personal responsibility to be aware of those values and principles and to live up to the standards of behavior they set out.

In 2009 AkzoNobel introduced a company-wide Corporate Complaints Procedure (SpeakUp!) which has increased the transparency on reported irregularities within the company. AkzoNobel has a proactive approach to dealing with grievances and complaints. Employees are encouraged to report any suspected breaches of the Code of Conduct or concerns to their manager or HR manager on site. If, for some reason, the alleged breach or concern cannot be reported to them, the SpeakUp! procedure provides for on-line reporting (in 27 languages) or the use of a toll free helpline. Employees can also choose to directly inform the Corporate Compliance Committee.

All reports, also those received on an anonymous basis, are treated confidentially and there are no repercussions against anyone reporting an irregularity in good faith, even if it turns out to be unfounded. AkzoNobel does not hold its employees responsible for any loss of business resulting from compliance with the Code of Conduct. The handling of irregularities is done in accordance with standard protocols. The result of the investigation is reported back to the reporter within 8 weeks.

In 2011, a total of 245 alleged breaches of the Code of Conduct were reported. Most of the cases related to business integrity and treatment of employees. Company-wide, AkzoNobel had 99 dismissals on grounds related to breaches of the Code of Conduct (2010: 118). Although the issues reported were not material for AkzoNobel, the company is conscious of the need to continue to conduct root cause analysis and take appropriate actions. The outcome of the reports and the root cause analysis are put in a broader perspective to determine what lessons can be learned. The results are addressed in the non-Financial Letter of Representation process and in online training programs.

A Corporate Compliance Committee monitors the process and makes sure that compliance is embedded and enforced in the business processes. AkzoNobel has set up Compliance Committees in each of its businesses. Compliance is a responsibility of the business unit management team. A Compliance Officer assesses the main risks, improves and monitors compliance and its effectiveness, and trains employees. At the request of the Corporate Compliance function, the Compliance Officers investigate and report on alleged breaches of the Code of Conduct.

Fair Wear Foundation complaints mechanism open for employees of suppliers¹⁸

Fair Wear Foundation (FWF) appoints a designated Contact Person in every country or region where it is active. The Contact Person's telephone number functions as a "hotline" to receive complaints from workers. The Contact Person and FWF headquarters can both receive complaints, from factory workers, managers, local trade unionists or NGO's. If mediation or any kind of intervention is needed, the Contact Person may give advice on whom to involve but cannot intervene him/herself. A complaint is admissible if:

- local mechanisms have failed, do not (credibly) exist or the employee has reasonable grounds for going beyond such systems
- it relates to the 8 labour standards in FWF Code of Labour Practices
- it concerns a supplier of one of FWF's member companies

After receiving the complaint, FWF decides on its admissibility (if necessary, after having gathered more information). Within a week FWF will consult with the member company on steps to be taken. These steps can include: a plan to investigate the complaint fully and decide on activities to be initiated; a decision on who will perform these activities and who else should be involved; a set time frame and means of reporting and/or identification of the costs and who pays for them.

The party against whom the complaint is made will also be informed, unless FWF and the member company decide otherwise during consultations in order to protect the complainant. After a full investigation of the complaint, FWF will issue a decision on whether the complaint is justified and immediately inform the complainant, the member company and the factory concerned.

18 mapping grievance mechanisms in the Business and Human Rights Arena, CSR Initiative, Harvard Kennedy School, 2008



The outcomes are defined as “corrective actions,” which may include payment of salaries, less overtime work and/or promises of improvements in work conditions. The member company, with help from FWF and in consultation with complainants, designs the plan and has to follow up on the agreed improvements. FWF oversees the implementation of the agreed corrective action plan. FWF can ask the member company to decrease orders from the factory to put pressure on the management. The member company can terminate the relationship with the factory, but FWF urges companies to do everything possible to maintain the economic relationship and the associated leverage.

5.6.5 Overview current practices

a. Remediation with or through NGOs

- Non-governmental organizations (NGOs) have played and are still playing an important role in addressing and raising awareness on human rights issues. For example, NGOs monitor the actions of companies and pressure them to act according to human rights principles.
- Companies are often suspicious when it comes to NGOs. However, it is important to recognize the often extensive knowledge and experience of NGOs in human rights issues, especially within local contexts. For example, they can play an important role in several phases of the due diligence process. Companies might be surprised by the willingness of many NGOs to devote some of their energy and resources to working alongside business, in order to address human rights issues.
- The current practice also shows that companies and NGOs do not always agree on the negative impact, the causes of the impact and the remediation needed. Sometimes this is solved in dialogue, sometimes these controversies last for a long time without a solution found.
- The financial sector sometimes uses exclusion as approach to enforce remediation. Cooperation with different institutions to create high leverage is needed to effect change.



“We think companies should be accountable for the human rights violations in which they are involved. By this we mean that they have to invest money and means to relieve the pain of the victims. We think that human rights due diligence should be made mandatory. Unfortunately, the UN Guiding Principles on Human Rights and Business don’t go that far.” (Amnesty International)

b. Grievance mechanisms

- In the interviews and Round Table discussion we saw three types of grievance mechanisms now being used by companies.
- The first grievance mechanism, that is widely used, is an internal grievance mechanism, which is related to the business principles or code of conduct of the company. This mechanism is not always explicitly open for complaints about human rights. Internal grievance mechanisms are not yet systematically used as a mechanism to resolve complaints on human rights in an early stage.
- The second grievance mechanism, that is seldom used, is an external grievance mechanism for workers of suppliers, that is part of the international sector initiative the company is a member of.
- The third grievance mechanism is the National Contact Point of the OECD, open for affected stakeholders, in relation to a violation of the guidelines. So far complaints to the OECD related to human rights often concerned labour rights. Now the OECD guidelines include specific expectations from companies related to human rights and their supply chains, more complaints can be expected.
- We haven’t seen grievance mechanisms that are explicitly open to stakeholders from local communities or other stakeholders.

“Banks/financial institutions should integrate in their assessments of companies whether the company has a complaint mechanism, whether companies address the adverse human rights impact and also whether companies are playing a constructive role in judicial grievance mechanisms.” (Amnesty International)



c. In the supply chain: corrective action plans after audits

- From the interviews and round table discussion, it appears that corrective action plans after audits are the usual way of dealing with negative impact for companies that audit their supply chain. The auditor assesses impact. After some time (usually one year) the auditor comes back to check whether corrective measures have been taken. Companies indicate that they do not easily break the relationship with the supplier, only when the suppliers do not cooperate and the in-compliance is severe (often child labour or forced labour is mentioned as a reason to stop working with the supplier).
- Companies working in international sector initiatives also work together to increase their leverage on the supplier to try to change its behavior.
- More and more we see companies and sectors start cooperation with their suppliers and introduce programs for capacity building and training.



6 Conclusions

Policy

This report has revealed that progress is being made in human rights commitment, most notably in the increasing number of companies that have formulated policies on human rights. Much work remains to be done, however. Dutch companies would thus do well to formulate their expectations for staff and business relationships more clearly, given that not everyone is familiar with the international standards. Secondly, while certain sectors may be right in their preoccupation with labour rights, companies need to become aware that their potential impact extends well beyond those labour rights and includes all human rights. Similarly, companies are doing well in focusing on those human rights that are most at risk in their business or context, but the fact that situations change renders periodic review of the priorities necessary. Ideally, this process of selection will include input from stakeholders who are aware of the company's potential impact, a step that is currently neglected on the broader scale.

Assessing potential and actual impact

At present, companies struggle to find a good method for impact assessment. Good data and information on human rights impact are hard to find, as are tools to fit the company's specific needs. All the same, assessing potential and actual impact can serve as an early warning system that will save costs and forestall future work. For that reason, it is worth noting that a number of assessment tools have recently been developed, which can further be integrated with other tools. There are tools that give insights on specific country and sector risks. Another step that is proving useful is the identification of, and dialogue with, potentially affected stakeholders. Furthermore, the Global Compact Self Assessment tool allows companies to examine how their own systems and processes potentially affect human rights, since it is essential that they evaluate their own contribution.



For assessing impact in the supply chain, companies tend to limit themselves to the existing method of audits. However, they rarely ask the more fundamental question whether their audits really are useful in assessing human rights impact. Audits should be preceded by the identification of country risks and local circumstances, as well as identification of high risk suppliers and of the greatest risks of those suppliers (in severity and in likelihood). In this process, companies may be helped by NGOs or local organizations that have experience and knowledge in specific countries or human rights issues.

Integration

Respecting human rights is part of many company's values, however integration of human rights elements in the business is still only at the beginning. Companies are generally just starting to understand the importance of human rights for their daily business. This awareness is still at a low level, and limited to a small group of people within the company. More needs to be done to extend awareness to a broader group and to aid the process of translation into daily business operations; this remains a challenge for all companies interviewed. Naming an issue (e.g. working hours) already clarifies a topic for many people, but this must be done on a much broader scale.

The financial sector is more advanced in the steps it has taken to integrate human rights as part of ESG criteria. The UN guidelines enable investors to make a better assessment of the company's performance in integrating the guidelines, and in managing and preventing risks. Financial institutions can make even greater progress on human rights if they apply their ESG criteria to a larger part of their investments.

Monitoring the effectiveness of the response

Few Dutch companies are monitoring the effectiveness of their policies and responses; instead, monitoring is limited to measuring compliance, using audits. It should be noted that performance is difficult to monitor if the other steps of impact assessment and integration have not been taken. In



fact, the absence of targets and indicators at impact level is most probably why effectiveness of policies and responses is not being measured consistently. Hardly any attention is devoted to the question whether these efforts really improve working conditions or local people's circumstances in the supply chain. Consultation with the affected people, and with organisations that represent them, will be needed to obtain an answer to the question. The absence of monitoring also applies to the effectiveness of (adapted) internal management processes and policies on a company's own employees and stakeholders, and on its suppliers and their stakeholders.

Regarding (international) supply chain initiatives we see that despite the enormous efforts in auditing, the effectiveness is not consistently being measured. So, how does a company know if their audits have led to a better position of migrant workers for example?

The strategy of dialogue and engagement which the financial factor followed can be assumed to be effective. However, the formulation of targets and performance indicators within such a strategy is difficult. As a consequence, the effectiveness (what made a company change or improve?) of dialogue and engagement is not being measured.

Communication and reporting

Communication and reporting is closely linked to impact assessment and monitoring. When there is no impact assessment, companies do not know where their potential impact is. This in turn makes it impossible to set targets and indicators for monitoring. When no monitoring is done, there can be no certainty as to how the company is performing in its respect for human rights. In the end, communication and reporting too become more difficult. Stakeholders will not be able to gain insight into the progress a company is making. Companies could exert greater efforts to use the frameworks for reporting and communication as provided by organisations like Global Compact and GRI. It is encouraging to see the increased transparency and



initiatives for stakeholder dialogue on many elements of sustainability in the Netherlands. All the same, dialogue on human rights usually takes place after an incident has happened. If companies become more proactive, the number of incidents that take place will presumably decrease as well.

Remediation

There are many forms of remediation available, three of which were discussed in this publication: the first is remediation through and with NGOs, the second via grievance mechanisms and the third consists of corrective action plans with suppliers.

Cooperation with NGOs in remediation remains a challenge for both sides, but has the potential to ensure satisfactory remediation for all parties concerned. Multi-stakeholder initiatives are upcoming promising mechanisms. Companies and NGOs could do more to find each other in dialogue, set aside their differences and work in joint effort on remediation.

Operational-level grievance mechanisms could provide a useful tool to prevent conflicts from escalating and address complaints at an early stage. The grievance mechanisms that companies currently have in place are not yet working to address all human rights issues, however. Third party grievance mechanisms for workers in the supply chain are beginning to emerge, but their success depends on their accessibility for affected workers. Third party grievance mechanisms for local communities are even more rare. Companies could intensify their efforts to develop grievance mechanisms that cover all relevant issues and actors on the human rights stage.

Remediation in supply chain policies most commonly takes the shape of corrective action plans. These have the disadvantage of being limited in their effectiveness to address negative human rights impact, however. As a positive sign, most companies in the Netherlands indicate that they allow their suppliers time to make improvements and only break a relationship when



the supplier does not cooperate at all. Companies could be more effective yet if they were prepared to look at their own potential contribution, initiate a dialogue with their suppliers, listen to their employees or other affected stakeholders and possibly provide them with support (e.g. capacity building, training programs) to address the root causes. That's why we encourage the increasing cooperation with suppliers and the start of capacity building and joint training programs.

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Beco

Beco is an international operating consultancy in sustainable development. In partnership with our clients we continually strive to strengthen the synergy between people, planet and profit. Beco - Return on Sustainability. We provide consultancy to business and government on sustainable strategies, organisations, value chains, products and processes.

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Liesbeth Unger has founded HR@W. Liesbeth has an extensive working experience in the area of social economic rights and CSR. Liesbeth is an international human rights lawyer. She provides advice and training to companies, governments and NGOs to bring the new guidelines of the UN and the OECD on human rights into practice

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Annex



	AEX	AMX	AScX	'Other'			
1.	Ahold (Royal)	21.	Aalberts Industries	34.	Accell Group	40.	ASN Bank
2.	Air France-KLM	22.	AMG	35.	Ballast Nedam	41.	APG
3.	AkzoNobel	23.	ASM International	36.	Macintosh Retail Group	42.	Crown Van Gelder
4.	Aperam	24.	BAM Group (Royal)	37.	Sligro Food Group	43.	G-Star
5.	ArcelorMittal	25.	CSM	38.	Telegraaf Media Group	44.	Mn Services
6.	ASML	26.	Heijmans	39.	Wessanen (Royal)	45.	PGGM
7.	Boskalis Westminster (Royal)	27.	Imtech			46.	Randstad
8.	DSM (Royal)	28.	Mediq			47.	Robeco
9.	Fugro	29.	Nutreco				
10.	Heineken	30.	Pharming Group				
11.	KPN (Royal)	31.	Ten Cate (Royal)				
12.	Philips (Royal)	32.	Vopak (Royal)				
13.	PostNL	33.	Wavin				
14.	Reed Elsevier						
15.	SBM Offshore						
16.	Shell (Royal Dutch)						
17.	TNT Express						
18.	TomTom						
19.	Unilever						
20.	Wolters Kluwer						

2 Overview of human rights in international (sector) initiatives

This overview provides a quick glance into the participation of Dutch companies in international sector initiatives and in the way these initiatives help them to implement the corporate responsibility to respect. This overview does not pretend to be exhaustive.

Food sector

The food sector is working on many initiatives and certification schemes, often at product level, sometimes for the raw material, which include (a limited number of) labour rights and sometimes other human rights (land rights, indigenous people's rights). Most human rights issues take place in the sourcing of raw materials, in the agricultural sector.

Examples of certification schemes are Fair Trade, Round Table for Sustainable Palmoil(RSPO), Round table for Responsible Soy (RTRS), Rainforest Alliance, Utz Certified), Aquaculture Stewardship Council (ASC). Besides standards, they also include improvement programmes and support to suppliers. Other frequently used initiatives are AIM-Progress (an international forum of consumer goods companies) and SEDEX (Supplier Ethical Data Exchange), Sustainable Agriculture Initiative Platform (SAI platform), Better Sugar Cane Initiative that include improvement programmes and sharing of audits , verification, and upscaling of certification. IDH (Dutch Sustainable Trade Initiative) includes several food programmes, aiming for economic empowerment of producers, sustainable economical growth and development of the private sector in origin countries. The standards used depends on the sector, IDH doesn't set standards. Human rights do not seem to have a focus of attention in most food programmes.

The Business Social Compliance Initiative (BSCI) is a business driven initiative for companies committed to improving working conditions in the supply chain and is aimed at all sectors. Several food companies or retailers are member of the BSCI.

Examples of Dutch Companies:

Ahold (BSCI, RSPO, RTRS, ASC, Utz certified, SAI platform)

Heineken (SAI platform)

Unilever (Rainforest Alliance, RSPO, RTRS, SAI platform, Aim Progress, SEDEX, Better Sugar Cane Initiative)

CSM (RSPO, Better Sugar Cane Initiative, Utz certified, SEDEX)

Royal Wessanen (RSPO)

Nutreco (RTRS, RSPO, ASC)

Human Rights in the ICT/Electronic sector

In the electronic sector many companies are aware of serious human rights issues within their supply chains. Human Rights violations take place in workplaces of their suppliers, mainly related to labour rights. There are also human rights issues in the extraction of metals, needed for electronic products. The ICT sector and the Electronic sector work together in several initiatives to map out these issues. Quite a good risk analysis exists at sector level. Within the Global e-sustainability initiative (GeSI) and the Electronic Industry Citizenship Coalition (EICC), companies have developed a Code of Conduct, members have to adhere to, which includes respect for human rights, related to labour rights, health & safety, environmental issues also related to community rights. Members often refer to these principles regarding their own commitment to human rights. In GeSI companies have developed a system for self-auditing of their own companies and of suppliers, and some of them work together in sharing their findings on third party audits in a joint database. Many companies have also decided that the extraction and sourcing of minerals, especially those from countries in conflict, deserve joint cooperation.

The Global Network Initiative is another initiative for ICT companies, which increasingly face pressure by governments to act in ways that may impact the fundamental human rights of privacy and freedom of expression. GNI developed a framework for companies, ensures accountability through independent assessment, enables opportunities for policy engagement and creates shared learning opportunities across stakeholder boundaries. So far, it does not have Dutch members.

Dutch members:

EICC: ASML, Philips

GeSI: KPN

Construction sector

In the construction sector, international cooperation on human rights is non-existent so far. Human Rights is relevant for the sector when it relates to the labour rights of people employed in construction, especially in countries where these rights are at risk. Another area for concern of this sector is the products they are using, such as metal, wood, natural stone and the impact the production or extraction has on people. So far the attention has been mainly on the environment.

Under the Dutch Initiative for Sustainable Trade a working group for sustainable natural stone was set up. Most of the issues for this subsector regard human rights (including child labour, forced labour, heavy dangerous work in quarries, etc.). They are working on improvements and a certification label. Dutch companies member of the working group for sustainable natural stone are medium sized enterprises and sector associations, including the Association for Dutch Natural Stone Importers and the Federation of Dutch Masons.

This overview provides a quick glance into the participation of Dutch companies in international sector initiatives and in the way these initiatives help them to implement the corporate responsibility to respect. This overview does not pretend to be exhaustive.

In the construction sector no other initiatives are known, which address human rights.

Chemicals & Industry

Responsible Care is the global chemical industry's initiative to improve health, environmental performance, and enhance security. The focus is on environmental impact and health and safety, which have human rights implications as well. Access to safe drinking water is just one example. Responsible Care has not focused on human rights so far.

Mining

The branche-organisation for the mining sector, the International Council for Mining and Minerals (ICMM), developed a sustainable development framework, which members are supposed to implement. 10 principles are developed with one main principle on human rights. ICMM has been closely following the Ruggie mandate and is supporting their members in upholding and implementing the principles. A recent publication was launched to integrate human rights due diligence into corporate risk management processes. This branche-organisation has Dutch members from the metallurgic industry. Another interesting initiative is the multi-stakeholder initiative, the Voluntary Principles on Security and Human Rights, which provide guidance to companies operating in zones of conflict or fragile states so that they can ensure that security forces - public or private - protecting the companies' facilities and premises operate in a way that protects the company's assets while respecting human rights and fundamental freedoms.

The Extractive Industries Transparencies Initiative (EITI) is about improved governance of resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. The EITI is also a multi-stakeholder initiative.

IPIECA (The International Petroleum Industry Environmental Conservation Association) and its Social Responsibility working group is also active in the fields of human rights. For example they develop and provide training materials on human rights to their members.

Dutch members:

ICMM: VNMI and its members e.g. Tata Steel (through Eurometaux)

EITI: VNMI and its members e.g. Tata Steel (through Eurometaux)

UN voluntary Principles EITI and IPIECA: Shell

These sector initiatives are not so relevant for other companies in the Dutch “mining” sector (Fugro, Boskalis, SBM Offshore), because they have another nature of business.

Media

The media, traditional as well as the new media, can have great impact on human rights. To name a few specific issues, the right to privacy, freedom of expression, access to information and freedom of information, protection for vulnerable groups from accessing certain websites and information (such as children not being able to access pornography websites) . Responsible advertising is another area. Media also have a crucial role in the promotion of respect for human rights by business.

The “Media corporate social responsibility (CSR) forum” is a group of big (UK) media companies developing CSR and sustainability practices and understanding for the media sector. Reed Elsevier is a member of this forum. The guidance provided for technology companies by the Global Network initiative to avoid impact on the rights of privacy and freedom of expression, is also relevant for the media sector.

Dutch media are not collaborating in the area of CSR or on impact on human rights.

The others

There are also many initiatives, which are not sector-specific, but which offer important support and guidance for the implementation of the UN Guidelines and the OECD guidelines. The UN Global Compact is one of these. Specifically on human rights, Global Compact has developed several tools

and guidance material on human rights and companies share experiences at national platforms. Another important guideline is ISO 26000, which gives quite practical guidance on a number of human rights issues. 4 of the 6 issues are about human rights. The principles of due diligence of the UN guiding principles have been integrated into this guidance. With the Global Business Initiative on Human Rights, several multinationals (including Shell and Unilever), are supporting awareness raising and capacity building efforts with businesses in diverse regions of the world.

Some other important sector initiatives are worthwhile to mention, for example the Travel and Tourism industry are working together in ECPAT, protecting children against sexual exploitation in travel and tourism, working together with UNICEF. TUI and OAD travelling are Dutch members of this initiative.

The textile and apparel sector is another example, where companies are working together in many initiatives, especially to improve the labour conditions in their supply chains. Many companies in the sector are member of the Business Social Compliance Initiative (BSCI), which has 700 members. BSCI Netherlands has 150 Dutch members. The Fair Wear Foundation is an important multi-stakeholder initiative specifically for the clothing sector, also focused at labour conditions in the supply chain. FWF has about 75 Dutch member companies, with over 100 clothing brands. The initiative is directed at China, India, Turkey and Bangladesh. Via a verification mechanism there is an independent control and tracking of the improvements made. Other well-known initiatives in the apparel industry are SEDEX and Fair Factory Clearing House, that are more focused on systems for shared auditing and capacity building and training of suppliers.

3 Important sources for human rights and business

The following sources provide further information on the guidelines and the implementation:

- The full text of the UN Guiding Principles on Business and Human Rights: www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf
- The full text of the OECD guidelines (2011): www.oecd.org/dataoecd/43/29/48004323.pdf
- The Corporate Responsibility to Respect Human Rights, an Interpretative Guide, UNHR, Office of the High Commissioner for human rights, 2011: www.ohchr.org/Documents/Issues/Business/RtRInterpretativeGuide.pdf
- The Business and Human Rights Resource Centre: www.business-humanrights.org/
- Business & Human Rights Initiative, How to do business with respect for human rights: a Guidance tool for companies, Global Compact the Netherlands, 2010: www.gcnetherlands.nl/docs/how_to_business_with_respect_for_human_rights_gcn_netherlands_june2010.pdf
- Human Rights and Business Dilemma Forum: www.human-rights.unglobalcompact.org/
- Global Compact Self Assessment Tool on human rights and labour rights: www.globalcompactselfassessment.org/
- An overview of further guidance material: www.unglobalcompact.org/issues/human_rights/tools_and_guidance_materials.html#policy

www.vbdo.nl / www.duurzaamaandeel.nl

The VBDO (Dutch Association of Investors for Sustainable Development) aims at generating a sustainable capital market, a market that brings together supply and demand, not just based on financial criteria, but also on social and environmental aspects. VBDO focuses its activities on actors in the Netherlands, with the international context.