

2018 Report of the UN Working Group on Business and Human Rights to the General Assembly

Submission by The Netherlands

The call indicated that UN Working Group on Business and Human Rights will examine emerging practice of corporate human rights due diligence in line with the UNGPs. A key question addressed to States is examples of how they are encouraging and incentivizing human rights due diligence by companies (both public and private).

Dutch policy context

In 2013, the Dutch government published the policy note ‘Corporate Social Responsibility pays off’¹, where it expressed its aim that 90 percent of the large companies in the Netherlands explicitly endorse the OECD Guidelines for multinational companies (OECD Guidelines) as the reference framework for their international activities. In October 2017 the 4 parties currently in government concluded a coalition agreement. It stipulates that The Netherlands will continue its integrated approach to Responsible Business Conduct (RBC) in the form of voluntary RBC-agreements² (so called covenants). In July 2018, the government announced that it expects to have reached this aim in 2023. Late 2019 the policy on RBC-agreements will be evaluated and, hereafter, the government will consider whether to adopt binding obligations and, if so, what the nature of such obligations should be.

In May 2018, the Dutch Minister for Foreign Trade and Development Cooperation, Sigrid Kaag, presented her new policy document; Investing in Global Prospects³. The policy document shows how the government is responding to international challenges and opportunities in the interests of the Netherlands. The 17 Sustainable Development Goals (SDGs) for 2030, as agreed by the United Nations, are the international guiding principles for the new policy. With this new policy document, The Netherlands is consolidating its integrated approach to Responsible Business Conduct (RBC) and sustainable global value chains, and aims to scale it up in Europe and globally.

The Netherlands implements the UNGPs through its National Action Plan (NAP) as well as its broader Responsible Business Conduct policy. The Netherlands was one of the first countries worldwide to establish a National Action Plan. The NAP itself was a result of an inclusive process, where 50 representatives of the business community, civil society organizations and implementing organizations and other experts were asked for their ideas and viewpoints on implementation of the Ruggie Framework. The below examples flow from the commitments of how we are encouraging and incentivizing human rights due diligence by companies follow from our NAP.

Steps within the government

The Dutch government is aware that it should lead by example, and perform its own human rights due diligence. That is why the Dutch government procurement policy was adapted. Under the new

¹ <https://www.government.nl/documents/policy-notes/2013/06/28/csr-pays-off>

² https://www.imvoconvenanten.nl/?sc_lang=en

³ <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects>

policy, suppliers from risk sectors are required to conduct *due diligence* conform the OECD Guidelines and provide an action plan based on the *due diligence* outcomes.

An e-learning course was developed for both civil servants operating at international level and implementing organizations to provide clear and reliable information on the subject of human rights and business.

Due diligence awareness

Another important step we took under the NAP was to raise companies' awareness on the need for due diligence. The Netherlands government devised an information strategy, which included amongst others the creation of a platform for businesses, as well as workshops to help companies shape the human rights component of their CSR policies, and to assist them in charting and prioritizing the risks they face. Part of the platform is the so called 'risk checker'. In this tool, companies can select their sector, country of operation etc., the application subsequently gives them a clear overview of the risks associated with their business.

Responsible Business Conduct agreements:

Working on sectoral multi-stakeholder agreements for responsible business conduct is one of the cornerstones of our broader RBC policy. The Netherlands government commissioned a study to identify business sectors in which supply chains pose heightened risks in terms of respect for human rights and labor rights as well as environmental protection. The study identified 13 priority sectors. This list includes a variety of sectors including the textile/garment industry, construction, metals, oil and gas, agriculture and the food industry. A broad range of risks were taken into account in the analysis including issues such as child labor, excessive working hours, health hazards and land grabbing.

Within these 13 priority sectors, the governments stimulates the conclusion of multi-stakeholder agreements that promote international responsible business conduct (IRBC agreements) in each sector. Besides businesses, government, NGOs and unions are also parties to such agreements. In the agreements, the parties identify the problems that arise in the sector. They then describe how they intend to prevent abuses, for example exploitation, and what each of the parties will do to work towards that aim. The organizations and businesses that sign the agreement commit to complying with these arrangements; for associated businesses this means that they promise to conduct due diligence. All agreements are based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines.

The agreements have two main goals:

1. To improve circumstances in a number of risk areas for example child labor, low wages, human rights violations and environmental pollution, within a period of three to five years after the agreement has been signed.
2. To offer a collective solution to problems that businesses are unable to solve on their own.

Seven agreements are yet concluded: Garments and Textiles, Vegetable Proteins, on Sustainable Forestry, Gold, Food Products Sector, Insurance and Banking. An example of access to remedy within the RBC Agreements is the complaints mechanism in the Textile Agreement. So far a few cases of complaints have been recorded, where employees have addressed for example their working

conditions. These complaints have been taken up by the businesses and the situations were remediated.

Negotiations on RBC Agreements in other business sectors are currently taking place in order to conclude agreements on concrete steps to reduce risks in their supply chains.