



Global Compact Network Netherlands

Business & Human Rights Initiative

Introduction

Ten Dutch Global Compact member companies (AkzoNobel, Essent, Fortis, KLM, Philips, Rabobank, Randstad, Shell, TNT, and Unilever), have initiated a project to understand the implications of the so-called Ruggie report¹ for their human rights policies and practices. The project, executed in the context of the Global Compact Network Netherlands (GCNL), will consist of the following **three phases**.

Phase I: Individual Assessment

Each participating company will receive an **individual assessment** of how company practices already follow the five elements of the responsibility of businesses to respect human rights—as outlined by the report. The assessment is made taking into account past activities and policies, and will be placed in industry and country context. The results show which elements could be most strengthened, if any. Therefore, key persons will be interviewed and company documents studied. In addition to individual (confidential) company reports, there will be an aggregate report to identify common trends among the companies.

Phase II: Peer-Learning

Consequently, a **peer-learning** exercise among the participating companies will be organized. The aim will be to facilitate learning in implementation and integration of human rights in company policies and practices by exchanging experiences and engaging in dialogue and discussion. The preliminary format includes five half-day workshops for each of the five elements of the Ruggie report. The individual assessments and the summary report of phase I will serve as input for the workshops.

Phase III: Good Human Rights Business Practices

When all parties are content with the evolution of the project, phases I and II culminate into phase III. The goal of this phase would be to develop rigorous **good business practices** in the area of human rights. After endorsement by the participating companies, the good practices would be shared with other businesses in the Netherlands and abroad, as well as provide input for the second phase of Professor Ruggie's mandate.

The project will be executed by David Vermijs, who has been working as part of Professor Ruggie's research team in the past 1.5 years, in close cooperation with representatives of the participating companies and the GCNL steering group. VNO-NCW houses Mr. Vermijs for the duration of the project.

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¹ On the following pages you can read more about the Ruggie report.



Background

The Global Compact

The United Nations Global Compact (GC) is the world's largest, global corporate citizenship initiative. It is a framework for businesses that are committed to aligning their operations and strategies with **ten universally accepted** principles in the areas of **human rights, labour, the environment and anti-corruption** (see www.unglobalcompact.org).

The Global Compact – first and foremost concerned with exhibiting and building the social legitimacy of business and markets – has so far established more than 60 Global Compact Local Chapters all over the world, and there are plans to establish approximately 25 new local networks in the foreseeable future.

In 2007 Global Compact The Netherlands (GCNL) was established, which was applauded by a.o. UN Secretary General Kofi Annan and Dutch Prime Minister Jan Peter Balkenende. GCNL activity is focussing on both (a) the ten GC principles and (b) broader UN goals, i.e. the Millennium Development Goals (MDGs).

The “Ruggie report”

John Ruggie is Professor at Harvard University, and in his capacity as “Special Representative of the U.N. Secretary-General on the issue of human rights and transnational corporations and other business enterprises”, he is the author of the Report “Protect, Respect and Remedy: A Framework for Business and Human Rights.”²

In June 2008 the UN Human Rights Council extended the mandate of Professor Ruggie until June 2011. The Council's Resolution welcomed the reports that Ruggie and his team have submitted over the last three years, including the most recent Ruggie report. The Resolution provides support for *operationalization* and *promotion* of the framework contained in the report.

Discussion about the role of Business

Over the last couple of years international business has been closely following the debate on business and human rights. Prior to the Ruggie report there was a heated discussion in the context of the so-called "UN Draft Norms". These were legalistic, imprecise and highly questionable as they contrasted with well established principles of international law. The "UN Draft Norms" were in the end not accepted by the UN Human Rights Commission.

Thereafter, Professor Ruggie was nominated by the UN to look into more fruitful approaches, which resulted in the report mentioned above. The Ruggie report recommends the following approach to the Business and Human Rights agenda:

1. The state duty to protect against human rights abuses, including those by business;
2. The corporate responsibility to respect human rights; and
3. The need for remedy when corporate-related abuses have occurred.

² See www.business-humanrights.org/Gettingstarted/UNSpecialRepresentative for the report and underlying materials.



Corporate responsibility to respect human rights

Given the focus of the Global Compact as a forum for learning and dialogue among business, the focus of the project will be on the corporate responsibility to respect human rights. This report outlines this responsibility as follows:

- The base line for companies' human rights responsibilities is 'do no harm'
- Companies can potentially affect all human rights; they have therefore *specific* responsibilities in relation to *all* human rights.
- A company cannot compensate for human rights harm by performing good deeds elsewhere.

In order for companies to make sure that they respect human rights, Professor Ruggie has stated that they must adopt a **due diligence process**. This entails the following:

- I. Adopting a human rights policy;
- II. Understand how their activities may affect human rights through human rights impact assessments;
- III. Integration of human rights policy throughout the company including a commitment by top management;
- IV. Tracking performance through monitoring and auditing;
- V. Have in place an effective grievance mechanism.

→ These five elements of the Ruggie's corporate responsibility to respect human rights, will be the guiding framework for the all phases and results of the Business & Human Rights Initiative.