

Institutional Arrangements

The Ministry of Economic Affairs chairs the National Contact Point (NCP).

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| Mr. F.W.R. Evers (ch) Ms. J.F.G. Bunders Mr. H. Mulder, and Mr. L. de Waal. | Mr. T.D. van Hoolwerff, and Mr. J. van Wijngaarden. |

As was announced in our last annual report, this year our revised NCP was formally established. The NCP now consists of an independent chairman and three independent members who all have backgrounds in the various stake holding groups of the NCP's work. They are independent in the sense that they have a seat in the NCP in their personal capacity and are by no means bound by the policies and goals of the Dutch Government. The NCP members are advised by the ministries of Economic Affairs, Foreign Affairs, Social Affairs and Employment, and of Housing, Spatial Planning and the Environment. The ministry of Economic Affairs, being the ministry responsible for the functioning of the NCP, provides the NCP with secretarial back-up, by means of a Secretariat with two full time employees.

The first meeting chaired by Mr. Evers was held on July 24, and on November 23 the NCP met with its stakeholders in a meeting held in Amsterdam. Next to a formal introduction of the new NCP members to several major stakeholders, the purpose of the meeting was to have exchange views on and expectations of the NCP and its tasks. In preparation of the 2008 annual NCP meeting at the OECD, a second stakeholder meeting was organised on June 3.

Information and Promotion

In order to promote the guidelines and to make the NCP's work known to the public, the Ministry of Economic Affairs hosts a website (www.oesorichtlijnen.nl), which is currently under reconstruction. A translation of the guidelines, mode of operation, statements on specific instances and relevant links will be published on this site.

Promotion of the guidelines has the constant attention of the Dutch NCP and of the ministry of Economic Affairs. Specifically for the NCP's promotional task, a special communication advisor has been appointed at our national CSR knowledge centre "MVO Nederland" (CSR Netherlands) for the development of a communication strategy, including the website. Special attention will be given to spreading 'best practice' cases to the business society and using these examples to enhance the appeal of the Guidelines.

The following activities in 2007-2008 are highlighted:

Last year we reported on the Agency for International Business and Cooperation (the EVD/ www.evd.nl) providing (potential) entrepreneurs with information on the OECD Guidelines and guidance on challenges that may occur when trying to implement the Guidelines in several emerging markets. In 2006, six country-specific toolkits (Brazil, China, India, Indonesia, Russia and South Africa) were made available on the EVD website. This year toolkits for Ukraine, Morocco and Vietnam were launched and similar toolkits for Turkey and Romania are being developed at this moment. The toolkits for India, Indonesia and Morocco are already available in English.

CSR has also been a fixed part of several trade missions to e.g. Brazil, China, the Gulf region, India, Russia, and Vietnam. The OECD Guidelines were actively promoted in each of these trade missions, which certainly boosted businesses' awareness of and familiarity with the Guidelines.

Implementation in specific instances

Since last year's report no new specific instances were submitted. The NCP did however deal with two cases that were already brought in late 2006;

- One instance, which was brought in July 2006, deals with a storage facility of a Philippine subsidiary of a Dutch multinational. The alleged infringements with the Guidelines relate to improper influencing of local decision making processes and violations of environmental and safety requirements. Due to local legal proceedings, the handling of this specific instance was put on hold until the end of February 2008. At the moment of conducting this report, negotiations are being held in order to come to a mediated solution. A fact finding mission of the NCP in the Philippines may be part of this process.
- The other instance the NCP dealt with the past year concerned alleged violations of the Guidelines relating to employment relations. Notifying parties accused an Indian denim manufacturer of malpractices vis-à-vis labour unions in its facilities. A Dutch apparel brand, who was a large purchaser of this Indian company, was accused of violating the OECD Guidelines for not properly exerting its influence so that the Indian company would alter its policies. Unfortunately the conflict escalated and the Indian company tried to sue the Dutch NGOs. This finally led to a separate mediatory attempt with the NGOs and the Indian company. As this relation was not part of the NCP procedure nor was it within the NCP's competence, the NCP decided to await the results of this mediation process. Happily the parties involved managed to come to a solution, of which withdrawal of the NCP specific instance was part of the deal. Therefore,

in its final statement the Dutch NCP gave no comments on the merits of the original specific instance.

An overview of the Dutch NCP statements can be found on www.oesorichtlijnen.nl, under *nationaal contactpunt – verklaringen*.

Other/ CSR in the Netherlands

General

On December 2007, the Dutch Government, under the lead of the ministry of Economic Affairs, presented its vision on CSR and on how to address the current issues. The cabinet's motto in today's national CSR discussion is *Inspiration, Innovation and Integration* and it is the cabinet's goal to have every enterprise, whether multinational, small or medium sized, to incorporate CSR in its core business. The cabinet's vision contains ambitions and planned actions in seven main subject areas for the years 2008-2011:

1. Continue to promote knowledge and awareness

Ambition: The government wants all businesses to be aware of the social impact and responsibilities that enterprise entails, and the opportunities that CSR offers.

Actions: CSR Netherlands Knowledge Centre will be strengthened and receive funding for a further three years.

2. Improve transparency and accountability

Ambition: The government aims for the Dutch business sector to rank among the leaders in Europe in the area of CSR transparency.

Actions: Further development of the transparency benchmark (also see below), intensifying the work of the National Contact Point for the OECD Guidelines.

3. Focus on CSR initiators

Ambition: By enhancing cooperation between CSR initiators and the authorities, the government wants to activate other players in the field of CSR as much as possible. 'Initiators' refers to the front running companies in the CSR discussion, together with NGOs and the social partners, shareholders, the financial sector and the consumers.

Actions: CSR as part of the Tabaksblat Code (Dutch Corporate Governance Code), better information to consumers.

4. Linkage of CSR to innovation

Ambition: By making CSR part of the innovation policy, bring about a link between CSR and business processes and product development.

Actions: Linking CSR to innovation policy (yet to be developed by the Directorate-General for Enterprise and Innovation).

5. Strengthen International CSR diplomacy

Ambition: By actively participating in international forums, work on creating coherent, transparent and workable guidelines for CSR as well as on awareness of the importance of CSR in other countries.

Actions:

- Make CSR part of the bilateral diplomatic economic agenda, for example during trade missions, visits to and from the country. Set up a well-developed CSR agenda for a number of priority countries.
- Work on improving CSR codes and their practical translation at a multilateral level, e.g. OECD, UN Global Compact, ILO and ISO.
- Enhance European cooperation in the area of CSR: Lessons can be learnt from countries such as the UK, Denmark and Sweden, but they are also the players with whom the Netherlands could cooperate in creating broad and internationally supported initiatives in the area of CSR policy.

6. Set to work with CSR in the supply chain

Ambition: Together with the leaders, we aim to make CSR generally accepted in the supply chain

Action:

- **Supply Chain Report:** Supply chain responsibility is the buzz word in the CSR world. Therefore, the Dutch Social Economic Council (SER), in which government, employer and labour organisations are represented, was asked to draw a report on this topic. Intensive discussions are already underway in a number of sectors on supply chain issues (e.g. timber, palm oil, soy, fish and biomass). The SER, as part of the request for advice on 'globalisation', will work on achieving a more horizontal approach to supply chain management.
- **Initiative for Sustainable Trade:** As part of this initiative, in June 2007, Minister Koenders (on behalf of the entire Cabinet) together with a number of companies, trade unions and NGOs signed the declaration of intent 'Exploratory Study for the Initiative for Sustainable Trade' (as part of the Millennium Development Goals project). During the coming six months the feasibility of a Dutch Initiative for Sustainable Trade (IDH) will be explored and developed further. The IDH will focus on harmonisation and cooperation through a multi stakeholder approach in the area of standards, quality marks and certification, and functions as a platform for tackling CSR issues together with local companies abroad in their supply chains. The IDH aims to result in clustering, cooperation, interchange and a scaling up of the huge diversity of chain initiatives and cooperative ventures.

7. The government CSR-proof in 2011

Ambition: The Netherlands aims to be an internationally prominent example by consistently pursuing sustainability in its business practices and procurement policy.

Actions: Applying sustainable business practices in government procurement, linking up with the government's vision of 'sustainable development' (development of pillar 3 of the policy programme).

The Government's position paper on CSR is available in both Dutch and English on the website of the ministry of Economic Affairs website ... and on request by the Dutch NCP.

Transparency

At the Transparency Benchmark 2007, the annual reports of 171 companies were examined on transparency as regards CSR. Of these companies 98 were listed at the

Stock Exchange Market. This fourth Transparency Benchmark deepened the insight into the extent to which Dutch branches and individual companies render account of their CSR policy and helped to identify best practices.

Since the start with the transparency benchmark a general increasing demand for transparency is acknowledged by a growing number of companies and more specifically transparency is mostly embraced by the banking sector, a potentially influential sector in promoting transparency and CSR in general.

Branch targeted CSR advice and best practices

Dutch CSR Knowledge Centre *MVO Nederland* is making great progress in collecting and spreading best practices for specific branches of industry. Many sector organisations and individual enterprises are now connected to MVO Nederland which greatly enhances knowledge sharing and understanding of what CSR means in practice. Therefore, and because of the Centre's key role in helping the Government in achieving its CSR ambitions, the mandate of MVO Nederland has been further renewed and enhanced.