

## Tips for applying the OECD Guidelines

### Corporate Social Responsibility

Corporate Social Responsibility (CSR) – also known as Responsible Business Conduct (RBC) - in international business and supports the [OECD Guidelines for Multinational Enterprises](#). These guidelines set out the CSR standards for entrepreneurs who do business internationally. Although these guidelines were initially developed for multinational companies, they are relevant to small and medium-sized companies and other kind of organisations as well. The Dutch government expects all organisations to make sure their activities follow these guidelines in other countries.

CSR means that you take responsibility for the effects of your organisation's activities on the world around you. You respect people, animals, the environment and society. There are various ways of putting CSR into practice. For example, you could:

1. lower your CO<sub>2</sub> emissions;
2. treat men and women equally;
3. ensure good working conditions;
4. include your supply chain in your CSR activities.

The most important thing is to make sure your organisation's activities have no negative effect on people, animals, the environment or nature. Ideally, you should work to minimise the negative effects of your business case or project plan and, where possible, promote positive social impact of your activities.

### OECD Guidelines

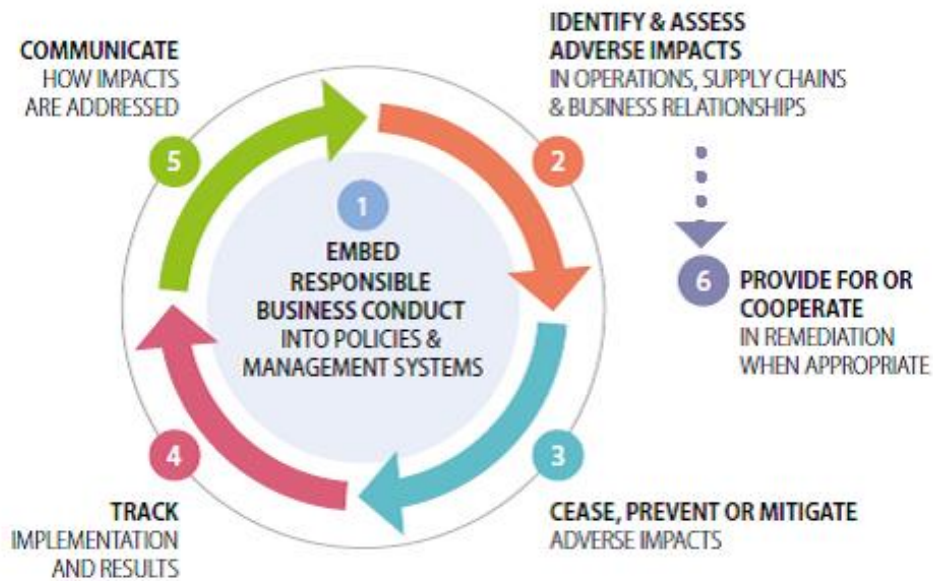
According to the OECD Guidelines, organisations can make a positive contribution to progress in the economy, environment and society. The guidelines also encourage them to make this contribution. However, they also indicate that (corporate) activities can have a negative effect on employees, human rights, the environment, consumers and businesses.

### Due Diligence

Due diligence is an essential part of CSR and is central to the internationally recognized OECD Guidelines. Due diligence is an ongoing process that helps organisations to identify and stop, prevent or mitigate risks related to human rights, labor rights and the environment, in their own operations, their supply chain and other business relationships or local project partners.

[The OECD Due Diligence Guidance for Responsible Business Conduct](#) is a practical guide for organisations to apply the OECD guidelines in their (business) operations based on a due diligence process of six steps.

FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



### CSR Policy

It is important to integrate CSR into your management systems. A CSR policy sets out the vision, ambition and goals of an organisation in connection with CSR. The policy should cover the themes that are relevant for that specific organisation.

Many small organisations do not have a separate policy for CSR. It is not always necessary, either. Often, organisations will already have included their position on the most important topics in their corporate plans. In fact, in many cases they will have done so to a greater extent than they are aware of.

Your organisation, for example, might well have a policy and vision for:

- employees (such as non-discrimination, safety and development);
- sustainability (such as your CO<sub>2</sub> footprint, clean energy and the recycling of raw materials);
- protecting the natural world and the environment;
- protecting consumers;
- protecting animal welfare.

It is important to integrate the CSR policy into your management systems. [Concrete tips for integrating CSR into your regular operational processes](#) are listed in step 1 of the OECD Due Diligence Guidance for Responsible Business Conduct, under 'Embed responsible business conduct into policies and management systems'.

## Risk analysis

The CSR risks are not always clear when doing business abroad or start an international cooperation. [The risk checker of MVO Nederland](#) gives you an idea of the risks in a country or sector. This allows you to make a targeted plan of action as a starting point for your due diligence process.

[Other practical tips for identify possible risks are listed in step 2 of the OECD Due Diligence Guidance for Responsible Business Conduct](#), under identify and assess adverse impacts in operations, supply chains & business relationships.

## Measures

Many times, it is easier to take measures within your own organisation. When the CSR risks or possible negative effects are further up or down your value chain, this is more difficult – but certainly not impossible. You should think carefully about how your organisation can influence the risks and negative effects identified. Does your organisation cause these effects itself, or does it contribute to them in a more indirect way?

The OECD sets out a number of possible approaches. The best approach in your case will depend on your organisation's involvement and its level of influence on the situation. The greater your organisation's involvement and influence, the greater its responsibility to do something about the negative effects. This could mean stopping or limiting the specific activities that cause damage. You can also use your influence to ensure that other players in the chain (such as your suppliers) take measures as well.

The 'Supply chain influence checklist' will give you ideas on [how your organisation can influence the CSR performance of your suppliers](#).

[Practical tips for stopping, preventing and limiting negative effects](#) are listed in step 3 of the OECD Due Diligence Guidance for Responsible Business Conduct, under 'Cease, prevent and mitigate adverse impacts'.

If the negative impact has already happened, it is important that your organisation takes measures to restore the damage. For example, it could help the people concerned to restore the situation that was in place before the negative effects happened. It is important that those people can send in their complaints through a complaints procedure. Your organisation must then respond to these complaints in the best possible way.

You can stop, prevent or limit the negative effects of corporate activities by:

- Making plans on how you will prevent and limit such negative effects in the future. You should base these plans on the risk priorities you have already formulated.

- Stopping any corporate activities that have negative effects or contribute to such effects. This is what you should do if it is not possible to prevent a negative effect.

In connection with the latter point, you could think of including social or environmental conditions in your contracts, writing a code of conduct for suppliers or training your employees and suppliers to achieve higher shared standards (social and otherwise).

[Practical tips for taking restoration measures](#) are listed in step 6 of the OECD Due Diligence Guidance for Responsible Business Conduct, under ‘Provide for or cooperate in remediation when appropriate’.

### **Monitoring**

Monitoring makes it possible to integrate outcomes, feedback and lessons learned into your organisation's risk analysis. This lets you improve the process and the results in the future.

If a process or measure does not appear to work, you can start an internal investigation to find out why. It can also be useful to talk to the employees involved and the relevant external stakeholders. You should make sure that senior management supervises the monitoring, so that the lessons learned will be put into practice. This will help to continuously improve the risk analysis process.

[Practical tips for monitoring the application and effectiveness of the measures](#) are listed in step 4 of the OECD Due Diligence Guidance for Responsible Business Conduct, under ‘Track implementation and results’.

### **Communication**

Transparency toward and communication with external parties is an important part of CSR. Organisations have a duty to show which CSR risks are relevant to them and how they are dealing with those risks. This means they must ensure good communication, transparency and accountability to relevant stakeholders.

A number of [EU Non-Financial Reporting](#) rules are important here:

- Your organisation should stay in contact with individuals, groups and organisations that could suffer from any negative effects of your corporate activities.
- You should ask relevant stakeholders what they expect from your organisation in terms of transparency and information. Ask them to list the topics on which they expect your organisation to report.
- You should decide how your organisation wants to communicate with its external stakeholders. You could do so through the regular annual report, in a separate sustainability report or by means of information on your website. Use these channels to provide public accountability.

If your organisation has more than 500 employees and a balance sheet total of €20 million or a net turnover greater than €40 million, you must also report on non-financial information. This obligation is a result of EU Non-Financial Reporting

[Disclosure](#) legislation. Organisations must report on their policy, results and risk management in the area of the environment, social and staffing aspects, diversity, human rights and how they are fighting bribery and corruption. They must include performance indicators (KPIs) for each of these topics in order to show implementation over a longer period of time.

Every 2 years, the largest companies in the Netherlands are evaluated based on the [Transparency Benchmark](#) (TB). The TB is a tool for creating transparency in corporate social reporting. The results show what the largest Dutch companies are doing to report on their CSR activities. Even if your organisation is not one of the largest in the Netherlands, it can still be useful to have a look at the [TB criteria](#). For example, this could help you when you are putting together your annual CSR report.

[Practical tips for sharing relevant CSR information with external parties](#) are listed in step 5 of the OECD Due Diligence Guidance for Responsible Business Conduct, under 'Communicate how impacts are addressed'.

#### **More information & contact**

All governments adhering to the OECD Guidelines have established a National Contact Point (NCP). You can find more information and concrete tips for to get started with CSR within your company on the website of the [Dutch NCP](#).

You can also read more about CSR on our website RVO.nl in [Dutch](#) and [English](#). For further questions, [you can contact](#) the Netherlands Enterprise Agency at RVO.nl.