

2. Conclusions and recommendations

Commissioned by the Netherlands Ministry of Foreign Affairs, The Terrace conducted research among Dutch companies to understand which government measures they see as the most effective to encourage companies to engage in International Responsible Business Conduct (IRBC) based on the OECD-guidelines and the UNGPs. The research project started with desk research and expert interviews, followed by an online survey, individual interviews and a group discussion with representatives of companies.

When reading these conclusions, it is important to keep in mind that almost all of the companies that participated in this research are already engaged in international RBC. Despite different efforts by the ministry, industry associations and the researchers, hardly any laggards in this field participated in this research. On the other hand, there is an overrepresentation of companies from sectors with a related sector-initiative.

Therefore, the sample is not fully representative of Dutch businesses. The combination of the survey results, interviews, desk research and the expertise of the researchers and the consulted experts nevertheless leads to clear conclusions. Each of the conclusions is followed by recommendations.

1. The **awareness of the OECD guidelines and UNGPs is higher among large companies** (74%) than among small companies (59%) in the survey. Front runners are more familiar and relatively further with the implementation of due diligence.
 - *Promote awareness and implementation of the OECD guidelines and UNGPs by consistently referencing them and asking for acknowledgement, both directly and through partners.*
2. **Companies need long-term government policy** that provides clarity about the direction and the vision. This makes it more effective for companies to invest in international RBC.
 - *Develop a long-term policy that goes beyond a single government term.*

3. There is a **need for integrated government policy that connects and prioritises various topics**. Environmental topics such as climate and circularity and social topics such as living wage and safe working conditions in the value chain have been assigned to different ministries. Because these ministries focus on different themes, this makes coherence unclear for companies and makes prioritization more difficult.

- *Develop a long-term policy that goes beyond a single government term.*

4. A combination of different governmental measures is needed to get the diverse business community in the Netherlands to start conducting their business more responsibly - or to encourage them to expand their activities in this field. The behaviour of different types of companies is influenced by different measures.

- *Develop a **smart mix of government measures**.*
- *Expand **sectoral collaboration** to further sectors, with an emphasis on high risk sectors. Stimulate raising the bar on RBC within existing sector agreements and other collaborations. Sector collaboration is seen by a broad group of companies as an instrument to drive behavioural change.*
- *Set up a **system with carrots and sticks**. Taxes and subsidies can play an important role in this.*
- *Pay **extra attention to SMEs** in the smart mix. Smaller companies have limited capacity and influence on change in their value chains and therefore need different support from large companies.*
- ***Practice what you preach** by applying international RBC criteria for **government procurement**. This seems to be underutilized at the moment, due to limited knowledge and implementation power with government buyers. Expand the number of product categories to which international RBC criteria apply.*
- ***Keep companies and other stakeholders connected during the development** of new policy and measures. This will increase support and effectiveness.*

5. Companies expect **legislation in the areas of due diligence and transparency to have a major influence on behaviour** in the future. This is mainly seen as an instrument to move laggards.

- *Preferably develop any binding measures internationally to avoid unnecessary burden on internationally operating companies and to create a level playing field. The EU is seen as the main partner for this.*
- *Consider expanding the group of companies that are required to report non-financial information annually; there is room for this within the EU Directive.*
- *For any binding measures, make clear what is required of companies and set up proper monitoring.*
- *Pay extra attention to smaller companies, as their knowledge and capacity for due diligence implementation is limited.*