

Introduction note to the summary of the Netherlands' study into the legal liability of Dutch parent companies for their subsidiaries' involvement in violations of internationally recognised fundamental rights.

Background to the study

The scope of Dutch multinational enterprises' legal liability for violations of human rights, labour and environmental standards is attracting attention in political discussions on Corporate Social Responsibility. Increasingly, stakeholders wonder to what extent companies could be held liable for not respecting internationally recognised fundamental rights and if Dutch courts provide access to justice.

Following a parliamentary debate in March 2009, the minister for Foreign Trade announced a study on this issue. During stakeholder meetings, it became clear that legal liability is a complicated matter covering a wide range of legal questions. The minister for Foreign Trade and the minister of Foreign Affairs commissioned a study for a clear and understandable common point of reference on the legal framework and to facilitate a constructive dialogue among stakeholders on the issue.

Purpose of study

The purpose of this study is to clarify the possibilities within the Netherlands' legal framework for making Dutch companies liable for violations by their foreign subsidiaries'. This includes an international perspective on legal issues that are considered to be relevant, such as access to the national court in the country of the parent company.

This study is meant to be a point of reference for further dialogue with stakeholders and Parliament on liability in the context of CSR. It is expected that in future CSR discussions the findings will be put in the context of economics, international governance and duty of states. We also expect that this dialogue will benefit from the outcomes of a study of the European Commission on "the legal framework on human rights and the environment applicable to European enterprises operating outside the EU" to be published at the end of 2010.

Furthermore, this study is expected to be relevant to discussions on the recommendations for the report "Protect, Respect and Remedy: a Framework for Business and Human Rights" put forward by UN Special Representative on Business and Human Rights, Professor John Ruggie.

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