

Standards of accountability:

The Minnesota Principles

■ The Minnesota Principles were drawn up as a result of an initiative in 1978 that brought together a small group of chief executives to discuss the role of business in society. It led to the creation of The Minnesota Center for Corporate Responsibility. It has since involved more than 3,000 people in more than 200 companies.

One of the Center's founders, Judson Bemis, then chief executive of the Bemis Company, set out its starting premise: 'The major problems of society cannot be solved without the direct participation and resources of business initiated and sponsored by active personal involvement of the chief executive officer. Our businesses must change and CEOs must change them.'

The project aims to create and maintain a 'clear perception of good corporate citizenship'.

As a statement of aspirations, the Minnesota Principles are not meant to mirror reality but to express a standard against which often inadequate performance can be held accountable.

Preamble

Whereas the mobility of jobs and capital is making business increasingly global in its transactions and its effects;

Whereas laws in such a context are necessary but insufficient guides for conduct;

Whereas responsibility for a corporation's actions and policies and respect for the dignity and interests of its stakeholders are fundamental;

And whereas shared values, including a commitment to prosperity, are as important for a global community as for communities of smaller scale;

We offer the following propositions as a foundation for dialogue by business leaders in search of corporate responsibility.

In so doing, we affirm the legitimacy and centrality of moral values in economic decision-making because, without them, stable business relationships and a sustainable world community are impossible.

General Principles

Proposition 1 Stimulating economic growth is the particular contribution of business to the larger society.

We understand that profits are fundamental to the fulfilment of this function.

Proposition 2 Business activities must be characterized by fairness.

We understand fairness to include equitable treatment and equality of opportunity for all participants in the marketplace.

Proposition 3 Business activities must be characterized by respect for honesty.

We understand honesty to include candour, truthfulness, and promise-keeping.

Proposition 4 Business activities must be characterized by respect for human dignity.

We understand this to mean that business activities should show a special concern for the less powerful and the disadvantaged.

Proposition 5 Business activities must be characterized by respect for the environment.

We understand this to mean that business activities should promote sustainable development and prevent environmental degradation and waste of resources.

Stakeholder Principles

Customers

We believe that our customers are not only those who directly purchase our products and services but also those who acquire them through authorized market channels. In cases where those who use our products and services do not purchase them directly from us, we will make our best effort to select marketing and assembly/manufacturing channels that accept and follow the standards of business conduct articulated here. We have a responsibility:

- To provide our customers with the highest quality products and services consistent with their requirements;
- To treat our customers fairly in all aspects of our business transactions including a high level of service and remedies for customers' dissatisfaction;
- To make every effort to ensure that the health and safety (including environmental quality) of our customers will be sustained or enhanced by our products or services;
- To respect the integrity of the cultures of our customers.

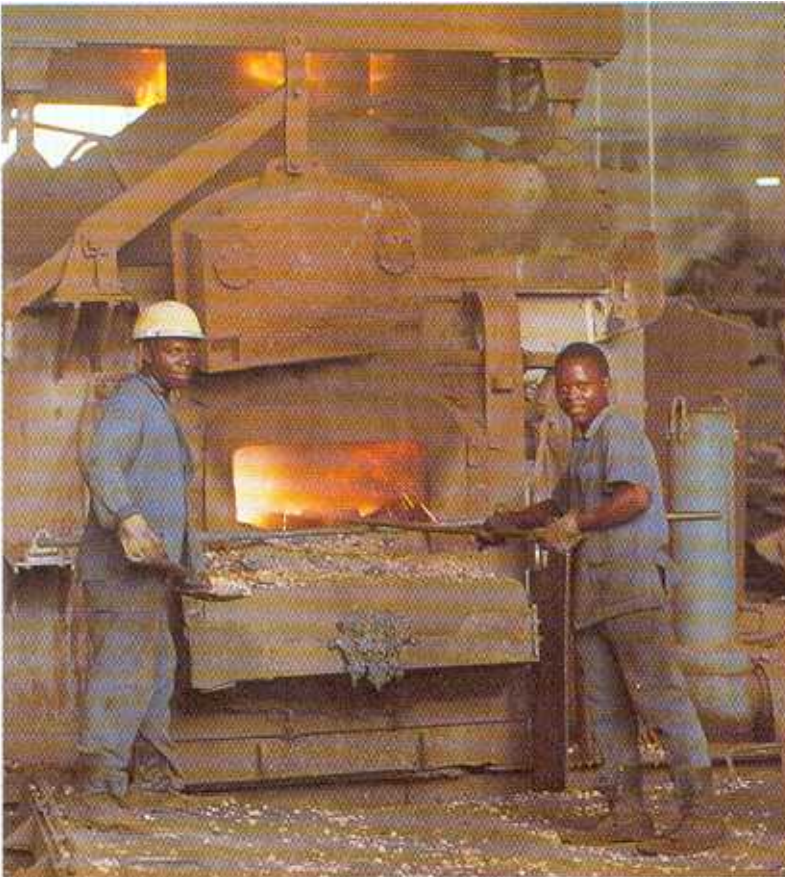
Employees

We believe in the dignity of every employee and we therefore have a responsibility:

- To provide jobs and compensation that improve and uplift workers' circumstances in life;
- To provide working conditions that respect employees' health and dignity;
- To be honest in communications with

The Universal Declaration of Human Rights provides for freedom of expression, association and assembly and has proved instrumental in building an international consensus on these essential safeguards. By recognizing that all people are endowed with the inalienable right to life, liberty, and security of person, the Declaration promotes the common interest we share with other nations and it reaffirms the common duty of all governments to uphold these rights. Although the Declaration has helped to build a framework of human rights and ease the suffering of many, there remains much left to be done. People the world over are still being arbitrarily arrested and imprisoned, while others are subjected to summary execution and torture. We must be vigilant in our efforts to foster internationally recognized human rights because respect for these rights is the cornerstone of freedom, justice and peace.

Mr Bill Clinton
President
United States of America



'Business activities must be characterized by respect for human dignity. We understand this to mean that business activities should show a special concern for the less powerful and the disadvantaged.' Minnesota Principles, Proposition Four.

Human beings are not only the beneficiaries but also the agents of basic human rights. Civil and political rights on the one hand, and economic, social and cultural on the other. The international community has reiterated its stand that all these are universal, indivisible and interdependent. Democracy, development and respect for fundamental rights and freedoms are interdependent concepts which reinforce each other. We express our most sincere wishes that the international community will maintain these values, to the benefit of present generations and those to come.

H.E. Luis Alberto Lacalle Herrera
President
Republic of Uruguay

employees and open in sharing information, limited only by legal and competitive constraints;

- To be accessible to employee input, ideas, complaints, and requests;
- To engage in good faith negotiations when conflict arises;
- To avoid discriminatory practices and to guarantee equal treatment and opportunity in areas such as gender, age, race and religion;
- To protect employees from avoidable injury and illness in the workplace;
- To be sensitive to the serious unemployment problems frequently associated with business decisions and to work with governments and other agencies in addressing these dislocations.

Owners/Investors

We believe in honouring the trust our investors place in us. We therefore have a responsibility:

- To apply professional and diligent management in order to secure a fair and competitive return on our owners' investments;
- To disclose relevant information to owners/investors subject only to legal and competitive constraints;
- To conserve and protect the owners'/investors' assets;
- To respect owner'/investors' requests, suggestions, complaints and formal resolutions.

Suppliers

We begin with the conviction that our relationship with suppliers is like a partnership. As a result, we have a responsibility:

- To seek fairness in all our activities including pricing, licensing and rights to sell;
- To ensure that our business activities are free from coercion and unnecessary litigation, thus promoting fair competition;
- To foster long-term stability in the supplier relationship in return for value, quality and reliability;
- To share information with suppliers and integrate them into our planning processes in order to achieve stable relationships;
- To seek, encourage, and prefer suppliers whose employment practices respect human dignity.

Communities

We believe that as global corporate citizens we have responsibilities in the communities in which we do business:

- To respect human rights and democratic institutions;
- To recognize government's legitimate obligation to the society at large and to support public policies and practices that promote harmony between business and other segments of society;
- To collaborate with less advantaged countries and areas in raising their standards of health, education and workplace safety;
- To promote and stimulate sustainable development;
- To play a lead role in preserving the physical environment and conserving the earth's resources;
- To support peace, security and diversity in local communities;
- To respect the integrity of local cultures.

Competitors

We believe that fair economic competition is the most effective path toward increasing the wealth of nations and ultimately for making possible the just distribution of goods and services.

We therefore have responsibilities:

- To foster open markets for trade and investment;
- To promote competitive behaviour that is socially and environmentally beneficial and demonstrates mutual respect among competitors;
- To refrain from either seeking or participating in questionable payments or favours to secure competitive advantages;
- To respect both material and intellectual property rights;
- To refuse to engage in the theft of ideas which is in the end the theft of innovation.