The Minnesota Principles
Toward An Ethical Basis For Global Business

Under the auspices of the Center for Ethical Business Cultures (formerly known as the Minnesota Center for Corporate Responsibility), this document was developed by a group of business leaders to foster the fairness and integrity of business relationships in the emerging global marketplace. As a statement of aspirations, The Minnesota Principles are not meant to mirror reality but to express a standard against which our often inadequate performance can be held accountable. They grow out of the experience and values of Minnesota Business leaders. We believe they also fairly represent ethical values arising from the culture of North America.

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 shared 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 fulfillment 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 honesty.

We understand honesty to include candor, 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 customer 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 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 working place;
★ to be sensitive to the serious unemployment problems frequently associated with business decisions;
★ to work with governments and other agencies in addressing these dislocations.

Owners/Investors
We believe in honoring 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 owner’s investment;
★ to disclose relevant information to owners/investors subject only to legal and competitive constraints;
★ to conserve and protect the owner/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 and integrate suppliers 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 be a good citizen by supporting the communities in which it operates; this can be done through charitable donations, educational and cultural contributions, and employee participation in community and civic affairs;
★ 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 behavior that is socially and environmentally beneficial and demonstrates mutual respect among competitors;
★ to refrain from either seeking or participating in questionable payments or favors 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.

CEBC’s Mission
Assisting business leaders in creating ethical and profitable business cultures at the enterprise, community and global levels.

The Minnesota Principles & the Caux Round Table Principles for Business
In language and form, *The Minnesota Principles* provided the substantial basis for the Caux Round Table *Principles for Business*, now available in 16 languages.
The Caux Round Table (CRT) is a group of senior business leaders from Europe, Japan and North America committed to the promotion of principled business leadership.
CEBC hosted and chaired the CRT drafting group that integrated *The Minnesota Principles*, the ethical ideal of human dignity and the Japanese concept of kyosei, “living and working together for the common good,” to form the Caux Round Table Principles for Business. CEBC has assisted the CRT in promoting recognition of the CRT Principles for Business worldwide.