



IRBC Agreement Food sector

**International Responsible Business Conduct; sometimes referred to as 'international corporate social responsibility' (ICSR)*



→ Start:

29 June 2018

→ Duration:

Agreement for five years;
valid through June 2023

→ Parties involved:

11 participants, 1 supporting party

→ Secretariat:

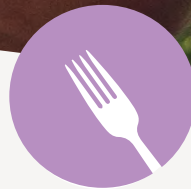
hosted at SER (Social and Economic
Council of the Netherlands)

→ Core task for CNV:

Participate in the Steering Committee
and in the Living Wages working
group; share knowledge with local
IRBC risk management network.



Internationaal



AN IRBC AGREEMENT FOR THE FOOD INDUSTRY - WHY?

The food sector (food processing industry and supermarkets) is important for the Dutch economy. With a total turnover of about 101 billion euros, it employs 435,000 people. Many food products in Dutch shops, or their ingredients, are produced abroad. The global food industry is an enormous sector, and carries increased risks of child labour, unsafe working conditions, excessive use of pesticides, displacement of small farmers, and unfair prices.

Some of these issues involve violations of basic human rights, but the problems are often so complicated that no company can tackle them on its own. That is why a broad coalition of parties has signed an agreement on working together to counter human rights violations in food production and supply chains. The coalition consists of food industry business associations, trade unions, the Dutch government and civil society organisations.

This Food sector IRBC agreement is the sixth of a series of agreements in the field of International Responsible Business Conduct, drawn up for different sectors of Dutch industry.

'It is pleasing to see that with this agreement, the industry itself indicates that it wants to become more sustainable. The commitments in it are meant to ensure that the food sector, from supermarket giants to SMEs, pays stricter attention to working conditions, fair wages and climate-conscious production.'

Sigrid Kaag, Dutch Minister for Foreign Trade and Development Cooperation, at the signing of the agreement.

For more information on the other agreements CNV promoted and signed, please see the relevant fact sheets here: <https://bit.ly/210wvbc>

WHAT IS THE PURPOSE?

With this agreement, the participating parties aim to achieve substantial improvements in their production chains with regard to the human rights issues mentioned above. They seek common solutions to problems that individual companies cannot solve on their own. By strengthening cooperation, the signatories work towards more sustainable production chains and continuous improvement on those IRBC risks. The participating industry associations aim to ensure that all affiliated companies tackle their IRBC risks within the agreement's time span. They will support their member companies to achieve this goal.



Parties will jointly work on complex issues, identified as unsolvable for individual companies. Projects for living wages and counteracting climate change will be launched as soon as the agreement comes into force. CNV will contribute to the living wages projects.

WHO ARE THE PARTICIPANTS?

In total, 11 parties have signed the agreement in June 2018:



The participants will provide specific support on the basis of each party's knowledge and network. They may involve local partners in the implementation of projects. The Dutch Government may also make arrangements with governments in producing countries.

HOW IS THE AGREEMENT IMPLEMENTED?

All parties meet regularly in a Meeting of the Parties. This meeting makes consensus-based decisions on any amendment to the agreement or on the accession of new parties. A Steering Committee discusses the progress made in implementing the agreement and proposes solutions to problems encountered. It monitors activities and results, organises an annual evaluation, makes recommendations for improvement and develops an implementation plan. The parties submit issues which they consider to be urgent for decision-making to the Steering Committee. The Committee consists of representatives of the sector

organisations, trade unions (among which CNV), civil society organisations and the government. The Meeting of Parties advises the Steering Committee on new projects and initiatives, on cooperation with other parties and on the termination of projects that are carried out within the framework of the agreement.

The Steering Committee has an independent chair in the person of Pierre Hupperts, an IRBC strategist with 20 years experience. A secretariat supporting the steering committee is hosted by the Dutch Social and Economic Council, SER.

Twice a year, the Steering Committee organises meetings with stakeholder companies, i.e. members of the signatory sector organisations. These meetings are meant for constructive dialogue on due diligence (or IRBC risk management), among other topics.

In addition to the working groups on Living Wages and Countering Climate Change, in the first year of the agreement's term another working group examines how companies can promote access to remediation, compensation and redress in the event of a negative impact of business operations in the food chain.



WHAT IS DUE DILIGENCE IN THIS AGREEMENT?

Many companies and industries are committed to IRBC and sustainable production chains. On the basis of international guidelines and agreements – [the UN Guiding Principles for Business and Human Rights](#), the [OECD's Guidelines for Multinational Enterprises](#) and the [ILO's Fundamental Labour Standards](#) –, Dutch companies have a responsibility for preventing and tackling IRBC issues.

The OECD guidelines require companies to assess the extent to which they are involved in human rights and environmental abuses. This investigation is called 'due diligence' or 'IRBC risk management'. The focus however is not on 'risks' for companies, but on risks, and actual issues, where a company's operations have a negative impact on the human rights or on the environment of those

other stakeholders: the employees and local communities.

[See our introduction on IRBC agreements, with more information on due diligence, on <https://bit.ly/2QdNFXp>](#)

Organisations that sign the agreement undertake to identify issues such as low wages or child labour, and to contribute to fighting them. They also commit themselves to free negotiations with independent trade unions and to safe and healthy working conditions for employees. Furthermore, they must do their utmost to reduce damage to the environment and the climate.

The parties will make use of the [OECD & FAO Guidance for responsible Agricultural Supply Chains](#). They agree that an assessment will be made of a company's position in one or more production chains and of the size of the

company. It is assumed that identifying, preventing and reducing IRBC issues will be a process of growth and learning.

The parties also agree that their IRBC risk management (or due diligence) shall contribute to the Sustainable Development Goals (SDGs), in particular to poverty alleviation, food security, health, good employment, responsible production and consumption, and the conservation and sustainable use of maritime resources, seas and oceans, and natural resources in general.

In the agreement, the parties emphasize that they do not seek market-restricting or anti-competitive arrangements.

** Links to this information can also be found at <https://bit.ly/2l0wvbc>*

*** For an explanation on due diligence check the CNV introduction factsheet, page 5: <https://bit.ly/2QdNFXp>*

WHAT HAVE THE PARTIES AGREED UPON?

The Dutch food industry is coming together to work towards an internationally responsible production chain. The parties have made arrangements that allow problems individual companies cannot solve to be tackled collectively.

Companies in the food sector, especially SMEs, want help in setting up their management of IRBC risks. They need information on how to identify, and then suppress or mitigate, practices in their value chain that have negative effects on workers, communities or the environment. In support of their member companies, parties have agreed that they will:

- develop, within three months of the signing of the agreement, a more **detailed guide** that can help food sector companies to set up, strengthen or improve their IRBC risk management. This includes a company's communication and reporting on IRBC issues. The guide will include a **typology** of business situations, to clarify what managing IRBC issues can entail for SMEs.
- identify, in consultation with their member companies, forms of **transparency** and issues to be addressed in this area, and bring these to the attention of companies.
- compile **information**, including advice and action perspectives, on dealing with specific IRBC issues in production chains. This information will be updated annually.
- jointly produce an **overview ('matrix')** in which production chains and countries are linked to common IRBC risks. This is intended to help companies identify and prioritise risks, and offer them perspectives for action.

The agreement stipulates that in its first year, the parties start **joint projects** in the areas of living wages and counteracting climate change. Individual companies also participate in these projects. In doing so, these companies give insight in their production and supply chains. Supermarkets may choose which project they participate in.

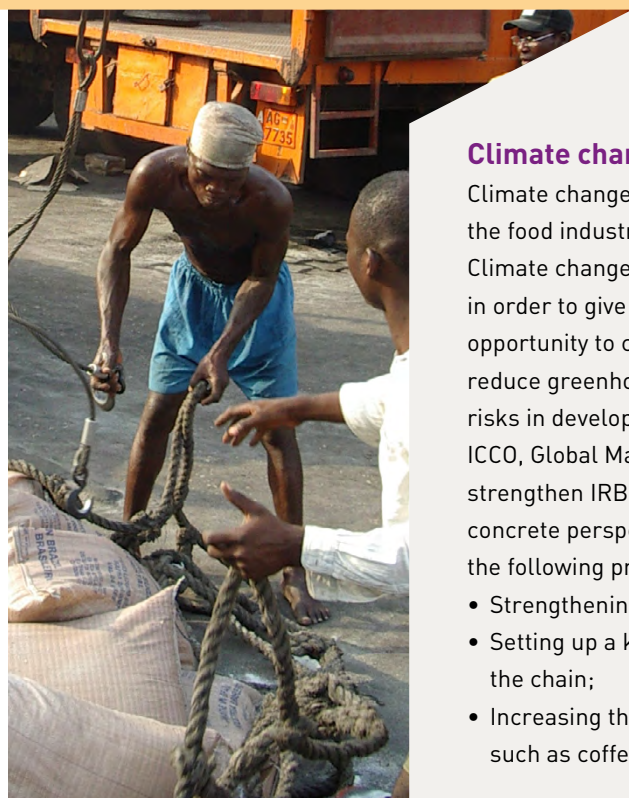
The projects on these specific themes aim at:

- identifying concrete action perspectives for companies to address issues in cooperation with signatory parties (the sector organisations);
- strengthening and improving risk management (due diligence) on these specific IRBC topics;
- acquiring insights for IRBC due diligence in general and for setting up and implementing projects on other IRBC issues.

Living Wages working group

The parties take a joint approach when it comes to living wages. Many Western companies are just one of many customers of any particular supplier in a manufacturing country. A shared approach is therefore desirable. Living wages also have positive effects on other social issues, such as child labour, forced labour, overtime and (gender) discrimination. A working group, consisting of CBL, trade unions (including CNV), civil society organisations and the Dutch Ministry of Foreign Affairs, Foreign Trade and Development Cooperation, will therefore start a pilot program on living wages. This working group will report to the Steering Committee every six months.

The aim is to gain insight into an effective approach to the issue of living wages. After two years, concrete agreements will be formulated on specific goals. Lessons learned will be shared through knowledge sessions on possible solutions, such as capacity building for collective wage bargaining, ways of exerting influence in production chains, landscape approaches, and methods for calculating a living wage. Expected results include a toolkit for companies to tackle the living wages issue, an analysis of results and potential follow-up steps, and clear agreements on the funding of the project.

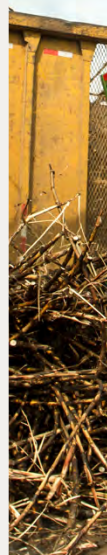


Climate change working group

Climate change is one of the biggest risks associated with business operations in the food industry.

Climate change requires both mitigating measures and measures of adjustment in order to give agricultural workers and farmers in developing countries the opportunity to continue earning an income. Knowledge is needed on how to reduce greenhouse gas emissions and on how to avert production and income risks in developing countries. A working group consisting of FNLI, KNSV, CNV, ICCO, Global March, IDH, the Dutch Ministries for FTDC and ANF, joins forces to strengthen IRBC risk management on the climate change issue and formulate concrete perspectives for action. Priority will be given to developing and financing the following project proposals:

- Strengthening the sustainability of spices production in Indonesia;
- Setting up a knowledge sharing network aimed at reducing CO2 emissions in the chain;
- Increasing the climate resilience of farmers in vulnerable production chains, such as coffee, tropical fruits, cocoa and farmed fish.



HOW DO CNV, CNV INTERNATIONAAL AND THEIR LOCAL PARTNERS CONTRIBUTE?

Trade unions, including CNV, CNV Internationaal and their local partners, have been critical and constructive in establishing the agreement. The trade unions serve as a sounding board for sensitive issues. Specifically, it has been agreed that CNV Internationaal, on its own as well as in cooperation with other signatories, will:

- actively signal abuses in the food value chain and submit these to the Steering Group;
- make relevant contributions to the process of managing IRBC risks, with concrete proposals;
- support the sector organisations during meetings with their member companies;
- help companies in the food sector to better understand the importance of living wages, free trade unions and other human rights issues. CNV achieves this through its international network, which has extensive experience in improving working conditions, human rights due diligence and procedures, the construction of civil society organisations in fragile circumstances, investigations into violations, collection of evidence and trade union rights;
- provide specific support, based on its knowledge and network, to the Steering Committee and to the Living Wages project. It will also involve local partners in the implementation;
- help sector organisation members to adapt to new legislation;



- establish a dialogue with raw materials traders on their role in managing food sector IRBC issues, in view of the obstacles that the industry association's member companies experience when tackling the IRBC risks in their value chains.



HOW IS IMPLEMENTATION OF THE AGREEMENT MONITORED AND REPORTED ON?

The Steering Committee monitors compliance with the agreement, supervises its implementation and publishes an annual report on progress and results achieved. This is done on the basis of reports provided by the signatory parties. Twice a year, the Steering Committee organises a Meeting of the Parties session, to discuss the progress of the agreement's implementation.

The progress of IRBC risk management at individual companies in the sector will be monitored. The relevant information is provided to the Secretariat (hosted by the Dutch Social Economic Council) on a confidential basis. These reports will be

drawn up using a cost-effective method which the parties will jointly adopt in the first year of the agreement's term.

Both at the end of the second year and at the end of the fifth year of the agreement's term, the Steering Committee will commission an independent agency for a mid-term and a final evaluation of the effectiveness of the agreement when it comes to managing IRBC risks, both in a general sense and in the context of the specific one-issue projects. If the results fall short of expectations, additional measures will be taken.

Additional information on the IRBC Agreements, including links to background information and documents mentioned in this factsheet, is available on:
<https://bit.ly/2l0wvbc>

About CNV Internationaal

CNV Internationaal has been supporting trade union work in developing countries for more than 50 years. Working with counterpart organisations, CNV Internationaal protects and promotes the rights of employees, building on Christian social tradition. This involves social dialogue, a pluralist trade union movement and individual responsibility of employees as core values. CNV Internationaal's mission is to contribute to decent work in developing countries by improving the position of employees in both the formal and informal economy through strengthening social partnership and promoting sustainability in production and supply chains. In the Netherlands, CNV Internationaal works with its CNV confederation and affiliated unions to contribute towards decent work in developing countries through lobbying, policy-making and awareness-raising. In the coming years CNV Internationaal will mainly focus on the themes of social dialogue, labour rights in production chains, and (youth) employment and employability.

CNV Internationaal

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Photo's: Bas de Meijer, Maarten Schuth, Chris Maluszynski

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