



IRBC Agreement The TruStone Initiative



→ Start:

1 October 2019

→ Duration:

The TruStone Initiative has a duration of five years

→ Parties involved:

Companies and trade associations in the natural stone sector; the Dutch and Flemish governments; trade unions; and NGOs

→ Secretariat:

Dutch Social and Economic Council (SER)

→ Core tasks for CNV:

Participating in the Steering Committee; sharing knowledge and local network for the sake of due diligence; raising the most important risks of infringement on human and labour rights; contributing to constructive solutions.

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Internationaal



'Natural stone is regularly extracted and processed under harsh conditions involving gross human and labour rights violations, such as child labour, forced labour, unsafe work and health risks. That is why in this sector an agreement is urgently needed, and it can be of great added value for the people who work in the sector.'

Anneke Westerlaken,
chair CNV Internationaal

AN INITIATIVE FOR RESPONSIBLE NATURAL STONE - WHY?

The natural stone sector in the Netherlands and Flanders (Belgium) consists of several hundred companies that specialise in importing and processing natural stone or products based on natural stone. Think of counter tops, tombstones, monuments, tiling, façades and kerbs. Natural stone is mainly extracted and processed in Asia, Africa and Latin America. This regularly involves environmental damage and the violation of human and labour rights. The Dutch and Flemish natural stone sector made agreements with the Dutch and Flemish governments, NGOs and trade unions for the responsible production and purchasing of natural stone. This joint initiative has been named the TruStone Initiative.

In order to achieve sufficient impact quickly, this initiative aims to involve as many companies as possible within a short period of time. These are organisations that buy natural stone for the kitchen sector, funeral homes, garden centres and DIY stores, but also for architects. Pilot projects have also been started to encourage companies and governments to purchase natural stone in a socially responsible manner. A few dozen municipalities and government departments, including the four largest Dutch municipalities and the Dutch Central Government Real Estate Agency, are participating in this. They ask for sustainable natural stone in their tenders.

The TruStone Initiative came about after a period of intensive discussions led by the Dutch Social and Economic Council (SER). It is the first time that two countries have come to such agreements together. CNV Internationaal signed the initiative and is thereby a participating party.

'This initiative helps companies in both countries to take their responsibility and to tackle abuses in the international natural stone chain as much as possible. This is an important step towards a safer and fairer production process of natural stone.'

Sigrid Kaag, the Dutch government's
Minister for Foreign Trade and Development
Cooperation



WHAT IS THE PURPOSE OF THE AGREEMENT FOR THE PARTICIPATING PARTIES?

With the TruStone Initiative, companies, industry associations, governments, trade unions and civil society organisations are joining forces and expertise to jointly tackle identified issues within the natural stone chain. Their ambition is to:

- achieve significant improvements within three to five years for groups experiencing negative impacts within the natural stone industry's production and supply chain;
- offer a joint solution to any issues that companies are not able to completely solve by themselves;
- offer individual companies tools to prevent possible negative impacts on human or labour rights in their production or supply chains, or in those of their business relationships.

The TruStone Initiative covers the entire production chain of companies and focuses in particular on the themes of discrimination and gender, child labour, forced labour, living wage, freedom of association and collective bargaining, health and safety, land rights and the environment. In this respect, the initiative goes further than most other initiatives. Participating companies respond to already existing normative guidelines and inevitable developments towards sustainability. This also benefits their social and political reputation.

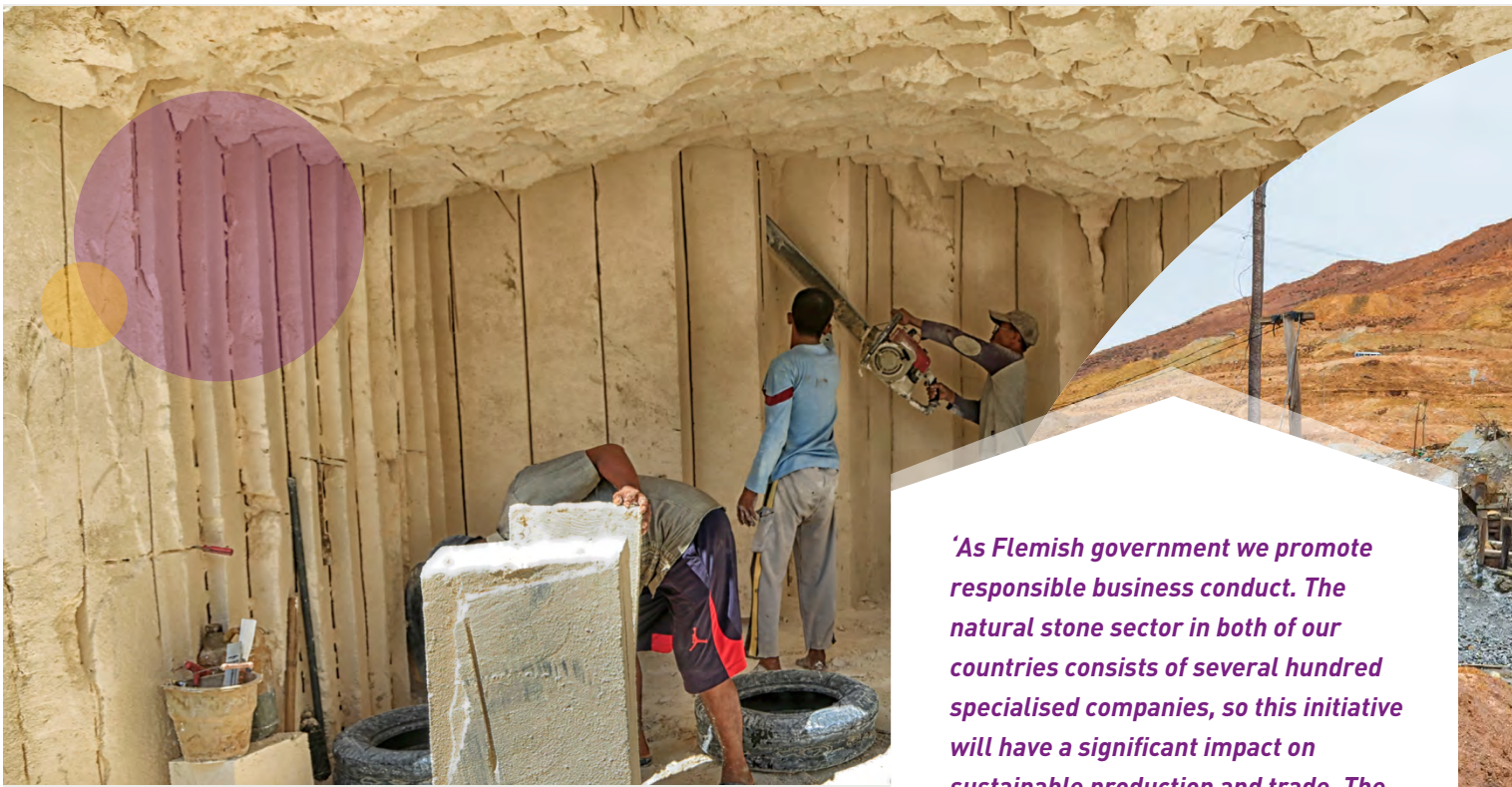
'Arte is right behind the TruStone Initiative. We want to be a driver for positive changes in the entire chain, such as good employment facilities, responsible use of raw materials, transparency - and we want the area where we buy granite to be free of child labour. We also want to convey this attitude to our customers and stakeholders. Corporate social responsibility, or responsible business conduct, is a foundation stone that we have laid and that determines Arte's course.'

Niels van den Beucken, Arte



WHO ARE THE PARTICIPANTS IN THIS AGREEMENT?





‘As Flemish government we promote responsible business conduct. The natural stone sector in both of our countries consists of several hundred specialised companies, so this initiative will have a significant impact on sustainable production and trade. The lessons we learn from this agreement will also be instructive for other sectors, further along the road.’

*Geert Bourgeois,
Prime Minister of Flanders*

HOW IS IMPLEMENTATION OF THE COVENANT ORGANISED?

Secretariaat

The independent secretariat is run by SER, the Social and Economic Council of the Netherlands.

Steering Committee

A Steering Committee has been set up to support the implementation of this Agreement. The Steering Committee takes its decisions by consensus and is presided over by an independent chairperson, appointed jointly by all the parties participating in the Steering Committee. The Steering Committee is made up of representatives from the following stakeholders:

- trade unions, including CNV (2)
- trade associations and individual companies (4)
- civil society organisations (2)
- Dutch and Flemish governments (2)

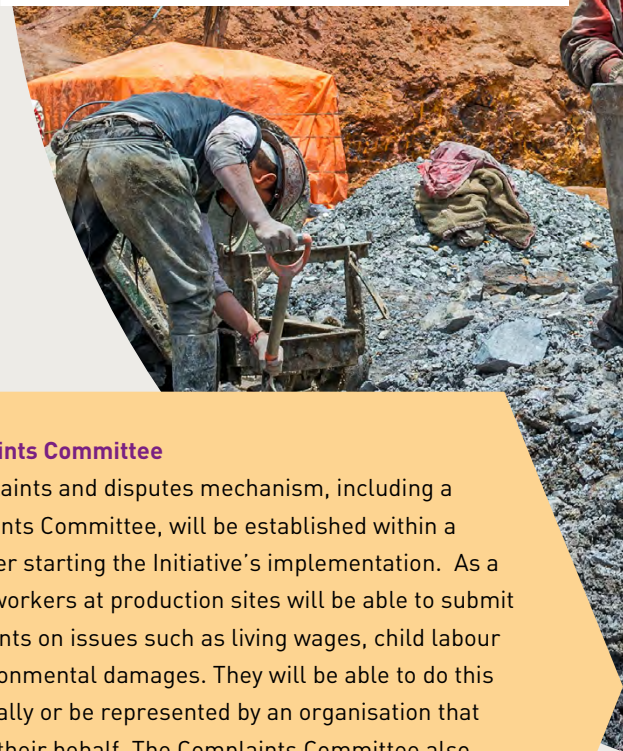
The Steering Committee monitors compliance with the initiative on behalf of all parties and supervises its implementation. It decides on new projects, initiatives and collaborations that may strengthen the Initiative’s implementation. On the other hand, the Steering Committee also decides whether certain projects are to be terminated.

Due diligence efforts by the companies

Based on the results of due diligence research, companies annually draw up their own plan of action in which they explain how they tackle risks and in which they include as a minimum the themes identified in the Initiative. They submit this plan to the secretariat for assessment.

Complaints Committee

A complaints and disputes mechanism, including a Complaints Committee, will be established within a year after starting the Initiative’s implementation. As a result, workers at production sites will be able to submit complaints on issues such as living wages, child labour or environmental damages. They will be able to do this individually or be represented by an organisation that acts on their behalf. The Complaints Committee also focuses on resolving any problems (disputes) between companies and the secretariat or between participating parties within the Initiative. The Complaints Committee has the power to issue binding rulings.





Human rights violation within the chain

NGOs and trade unions can collect information about the situation in the chain and on risks for human and labour rights and the environment locally, in production countries. For example, research by Arisa shows that child labour, especially of migrant youths, is used in the processing of granite in India. Forced labour, dangerous and unhealthy working conditions and large differences between permanent and temporary employees are also among the (human) rights that are regularly violated in the natural stone chain. Many workers come from disadvantaged groups such as Dalits and Adivasi in India, who are especially vulnerable due to their low social status. Other problems are long working days and wages below the legal minimum, overtime paid with alcohol, poor housing and sanitation, no clean drinking water and no active trade unions in the quarries surveyed. .

Source: *The shadow sides of granite, Advocating Rights in South Asia (Arisa)* (bit.ly/37bnEB7).

WHAT DOES 'DUE DILIGENCE' MEAN IN THE CONTEXT OF THIS INITIATIVE?

Society and the Dutch and Flemish governments expect companies to make an effort for socially responsible business conduct and sustainable chain management. Moreover, by virtue of international agreements, companies have a responsibility to prevent and address human rights and environment risks. These agreements are laid down in various [international guidelines, such as the ILO conventions and the OECD guidelines](#) (bit.ly/2TMg5gt).

Among other conditions, these guidelines require companies to assess the extent to which they are involved in human rights and environmental abuses. In concrete terms, this means that companies in the natural stone sector systematically investigate whether they themselves, directly or through the chain of their suppliers or buyers, are related to damage caused to people, animals, nature and the environment anywhere in the chain. This not only concerns actual damage, but also the risk that damage may occur. Companies that have found that they are involved in damage or risk of damage are required to take measures.

Importing companies participating in the TruStone Initiative will have to conduct a due diligence investigation within one year after signing up. The focus is not on risks for the company, but on the possible and actual risks of a negative impact on other stakeholders, such as workers and local communities.

In the case of tenders, providing a chain analysis will be mandatory. Construction companies can expect the demand for such a risk report in tenders. It will become a strict requirement. They will have to request this report from their supplier. The supplier will have to show in its report from which country, from which region, from which quarry and through which parties the material was purchased.

If a company finds that, for example, it is involved in child labour or causes environmental pollution, this company may often have opportunities to do something about it by itself. But more often, it will find complex problems in the production and supply chains in emerging markets and developing countries. Companies may be connected to such issues through their business relationships. In such cases, the TruStone Initiative can tackle the topic as an industry. The Initiative offers no guarantee that nothing will ever go wrong again in the supply chain. It does however provide a means of solving problems faster and better.

[For more information on due diligence, see the fact sheet on IRBC agreements](#) (bit.ly/2RefB0r).

WHICH AGREEMENTS DID THE PARTICIPATING PARTIES MAKE?

Identifying risks in the production chain

The participating parties agreed to immediately start mapping the risks in the production chain. All parties involved in the initiative will work together to tackle issues such as child labour, forced labour, lack of trade union freedom and health and safety in the production chain.

Complying with international guidelines

The international guidelines focus on promoting international labour standards, such as combating forced labour, slavery, child labour and discrimination. Companies give substance to their compliance with these guidelines by conducting due diligence research.

Implementing the international guidelines in the case of large orders for supplies, services and works also contributes to the elimination of abuses in the procurement chain. Within the Dutch central government this is mandatory for tenders within risk categories that exceed the European public procurement threshold. Local and regional authorities are free to use [this approach of the national government](https://bit.ly/36cMcbq) (bit.ly/36cMcbq).

Setting up Working Groups on Occupational Health and Safety

Within a year of signing the Initiative, participating parties shall set up working groups around the themes of forced labour and health and safety at work (Occupational Health and Safety). The analysis of these themes, in the natural stone sector in general, and more specifically in the production or supply chains of the companies involved in the Initiative, will start after no more than 6 months. Input from stakeholders such as local NGOs, community based organisations (CBOs), trade unions and others is included in both the analysis and possible solutions.

On the basis of these analyses, an action plan is made for the regions or countries the companies involved make substantial purchases:

- analysis of policy and practice in important countries of origin;
- the position of local businesses and their commitment, and the possible (partial) lack thereof;
- the role that relevant civil society organisations (may be able to) play
- possible cooperation partners in other importing countries
- global phasing of activities of both the parties jointly and of parties together with other partners.

The participating parties also formulate a joint policy for prevention and remediation for cases where these risks are found to be present, or even to occur frequently, in their production or supply chain.

Pilot projects on Socially Responsible Procurement (SRP) and child labour in the natural stone production chain (2017-2020)

In 2017, with subsidies from the Netherlands Enterprise Agency (RVO), Dutch parties started pilot schemes to find out how socially responsible procurement could stimulate companies to actively contribute towards reducing risks in the chain, particularly those associated with child labour. Encouraging demand for sustainable natural stone is important for change. These pilot projects teach governments how to include the demand for sustainable natural stone in their tenders. There are plenty of suppliers who would like to make deliveries, but in procurement contracts it is more often the price that is leading.

Above all, the Dutch natural stone industry wants to clarify at what point in the chain things are going wrong, and intervene where possible. The pilot schemes are also directed at suppliers and importers of natural stone, and at building companies bidding for tenders, so that they know where their responsibility lies. Each construction company is responsible for proper agreements with its suppliers. A team has been set up to verify with construction companies and suppliers throughout the Netherlands whether promises are being kept. Compliance is included as a contract condition. The parties working together within the TruStone Initiative keep a finger on the pulse during the implementation of the pilot projects. The pilot schemes form a direct part of the commitments under the agreement.

Tendering Authorities that sign the Declaration for governments with the TruStone Initiative commit themselves to the outcome of the pilot tenders and shall incorporate the results in future tenders for natural stone, taking into account both legality and expediency.

HOW DO THE CNV CONFEDERATION, CNV INTERNATIONAL AND LOCAL PARTNERS CONTRIBUTE?

CNV and its local partners play a critical and constructive role within the IRBC Agreement truStone Initiative. The trade unions serve as a sounding board for sensitive issues. Furthermore, it has been agreed that CNV and CNV Internationaal:

- will examine, together with companies, how they can identify, prioritise and prevent potential risks and explore what they can do in the event of abuses;
- will share specific knowledge and information on labour rights, including freedom of association, collective bargaining and living wages, in local contexts where abuses may occur;
- will actively identify abuses and share them with other parties, with the help of information from local partners worldwide and international departments. This allows trade unions to make an important contribution to the efforts made by natural stone businesses signatory to this Initiative for the identification of potential labour rights abuses and the prevention and remediation of abuses that actually occur;
- will contribute to the promotion of cooperation between companies and local organisations;
- will, on the basis of their knowledge and network, provide specific support to the work in the Steering Committee;
- will supervise the implementation of agreements made within the framework of the initiative;
- is willing to timely report (signs of) abuses occurring in the sector to the Steering Committee;
- will support local partners if they wish to submit a complaint to the independent Disputes and Complaints Committee of the Initiative;
- will actively bring commitments and principles from the Initiative to the attention of their membership base and of the coalitions and (international) networks in which they participate;
- will make an active contribution to thematic projects, in order to create an action perspective for companies;
- will organise, together with the Dutch Ministry of Foreign Affairs, a seminar on social dialogue for six countries that supply natural stone to Dutch and Flemish companies;
- will, within one year after signing and together with other participating parties, examine the possibility of cooperation with external parties with a view to increasing statutory minimum wages to living wages and/or all other themes and sectoral agreements per production country.



HOW DOES REPORTING AND MONITORING TAKE PLACE?

The Steering Committee will monitor compliance with commitments from the Initiative and supervises their implementation, on behalf of all participating parties. Within six months after signing, the Steering Committee will set the frameworks for annual progress reports on results and concrete improvements achieved in the production and supply chain. The members of the Initiative shall provide progress information to the Steering Committee through the Secretariat. The Secretariat will aggregate the information received in such a manner that it will not be traceable to individual companies.

The participating parties, in collaboration with local partners and civil society organisations, monitor progress on the themes on a sample basis, for the purpose of the independent evaluations of the Initiative that shall take place after 3 and 5 years, respectively. The evaluations will be published without any competition-sensitive information.

At least once a year, the Steering Committee shall organise a session of the Meeting of the Parties at which the progress of the initiative will be discussed. The Steering Committee will account for the policy it pursued. The Meeting of the Parties shall have to agree the Steering Group's annual work plan and budget. It will annually discharge the Steering Committee from liability in respect of its management. Once a year, the Steering Committee shall also organise a broad stakeholder meeting.

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 workers' rights, on the basis of Christian social thought. This involves social dialogue, a pluralist trade union movement and workers' individual responsibility as core values. CNV Internationaal's mission is to contribute to decent work in developing countries by improving the position of workers 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 the CNV confederation and its 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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