



Agreement on Sustainable Garments and Textile



- **Start:** 4 July 2016
- **Duration:** The Agreement has a five year time span.
- **Parties involved:** 79 signatories, 11 affiliates and 13 supporting parties
- **Secretariat:** SER (Dutch Social and Economic Council)
- **Core task of CNV:** Participating in the Steering Committee and boosting the Freedom of Association Working Group



Internationaal



WHY HAS AN AGREEMENT ON SUSTAINABLE GARMENTS AND TEXTILE BEEN ESTABLISHED?

In 2013, the world is shocked by the collapse of the Rana Plaza clothing factory, in which more than 1,100 people die. The disaster clearly demonstrates the extent to which a company producing abroad is at risk of becoming involved in abuses. Many clothing companies in the Netherlands have outsourced their production to countries outside the European Union (EU). In those countries, human rights, workers' health and security, the environment, and animal welfare may be at stake.

“Practice will have to show whether this Agreement actually ensures compliance with all workers’ rights. The Agreement is a first step in the right direction. Our trade union colleagues in Asia will be rigorously monitoring compliance with workers’ rights in clothing factories. We at CNV, being a Dutch trade union federation, will keep stakeholders here in the Netherlands well focused on what is going on in those other countries. And we will actively contribute in the Steering Committee and the Freedom of Association Working Group!”

Arend van Wijngaarden, CNV Vice-Chairman

Many of the challenges in the clothing sector are of a complex, wide-ranging, international nature. They can not be dealt with by one individual company. But companies and other organisations can support each other in making improvements. That is why, on 4 July 2016, with facilitatory support from the Dutch Social Economic Council (SER), 55 companies signed the Agreement on Sustainable Garments and Textile.*

*Additional information on the IRBC Agreements, including links to background information and documents mentioned in this factsheet, is available on: www.cnvinternationaal.nl/en/business-and-human-rights/dutch-agreements-responsible-business-conduct

They did this together with industry associations, trade unions, civil society organisations, and, on behalf of the Dutch Government, the Minister for Development Cooperation and International Trade. The Agreement is the first of a number of such agreements on International Responsible Business Conduct (IRBC). In this way, a new instrument has been created to make international supply and production chains more sustainable and responsible. With this Agreement, stakeholders are joining forces to collectively tackle problems such as dangerous working conditions, child labour, environmental pollution and animal

suffering in the clothing and textiles production chain. Stakeholders see plenty of opportunities to jointly achieve better results than individually on issues such as a decent living wage, good cooperation with trade unions, and the reduction of (far) too long working days. The collective approach makes it possible to devise joint actions to resolve problems, to learn from the experiences of other companies that have already made progress and from NGOs and trade unions that can provide suggestions for sustainability. The Parties to the Agreement jointly aim at structural changes in order to move from naming and shaming to knowing and showing.

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

The aim of the participants, related to the production of clothing and textiles in countries like Bangladesh, India, Pakistan and Turkey, is to work together on sustainability objectives that they find difficult or impossible to achieve individually. Together, they want to address nine types of risk: gender and discrimination, child labour, forced labour, the right to free negotiations by independent trade unions, obtaining a living wage, safe and healthy working conditions for workers in the workplace, reducing the negative environmental impact of primary and secondary materials, the prevention of animal suffering, reducing the consumption of water, energy and chemicals, and generating less chemical waste and waste water.

The Parties also want the supply of clothing and textiles to Dutch consumers to gradually become fairer and more sustainable, including for consumers who do not pay specific attention to the issue. More and more shops will provide consumers with a clear answer to their questions about fair and sustainable clothing and textiles. With the Agreement, a broad coalition joins forces. The coalition's objective is that by 2018 at least half, and by 2020 no less than 80% of the Dutch clothing and textiles sector will join in.



WHO ARE THE PARTICIPANTS IN THIS AGREEMENT?

Since 2016, and as of January 2018, a total of 64 companies, representing about 80 consumer brands in clothing and textiles, have already signed the agreement. The participating companies jointly represent more than a third of the turnover (3.5 billion euros) on the Dutch market.

We can identify the following stakeholders:

S **The signatories** are 64 clothing and textiles companies. Look here for a complete overview.

A **Affiliated parties:** Sector associations VGT, Modint and INretail; the NGOs Solidaridad, UNICEF Netherlands, India Committee of the Netherlands, Coalition Stop Child Labour, Stichting VIER VOETERS; the trade union federations CNV and FNV; and the Dutch government

S **Supporting parties**, who endorse the goals of the Agreement and are willing to provide their knowledge and experience: IDH, Fair Wear foundation, Control Union, Save the Children, UNESCO, Sustainable Apparel Coalition, Organic Cotton Acceleration, FLA, FTA, Made-by, Mitt, MVO-NL and the ASN bank.



The Dutch Agreement on Sustainable Garments and Textile and the German 'Bündnis für nachhaltige Textilien' [<http://www.textilbuendnis.com>] have signed a cooperation agreement, and alliances with initiatives elsewhere in the EU are actively being explored. If the initiative carries on growing towards a European approach, 500 million consumers will more easily be able to buy responsibly produced clothing. That would provide leverage for change on an international scale.

The government's efforts are therefore aimed at promoting a level playing field, in Europe and beyond. Furthermore, the government is responsible for sustainable procurement by the government itself and for making arrangements with governments in producing countries on strengthening their labour inspectorate.

HOW IS IMPLEMENTATION OF THE AGREEMENT BEING ORGANIZED?

After the signing of the Agreement on Sustainable Garments and Textile, the participants have set up a Steering Committee to lead the implementation process. This **Steering Committee** is presided over by an independent chairman, Pierre Hupperts, an independent expert on IRBC. The basis for working together to achieve sustainable change lies in building trust, respecting each other's interests and jointly seeking the shared interest. Mutual consensus is therefore a key guiding principle in the implementation of the Agreement.

The Steering Committee is made up of representatives from the following stakeholders:

- The Dutch Government (Ministry of Foreign Affairs and Ministry of Agriculture)
- Industry organizations (VGT, Modint and INretail) Trade unions (CNV and FNV federations)
- Civil society organizations (India Committee of the Netherlands, Vier Voeters, Solidaridad)
- Companies (WE Europe B.V., Varova Fashion and Schijvens Corporate Fashion)

An **independent Secretariat**, hosted by the SER, supports the Steering Committee in its decision-making, and the Parties in implementing the Agreement. The Secretariat:

- supports participating companies and parties to the Agreement in achieving the Agreement's (joint) objectives,
- is a reference point for information on due diligence (see below and the introductory fact sheet), and supports companies with training and feedback in drawing up their action plan,
- assesses the quality of the annual progress of the action plans of participant companies and monitors the overall progress that has been achieved through the Agreement,
- coordinates the development of tools that help participating companies to carry out their due diligence and set up collective projects to jointly address specific risks,
- processes the information it gets from companies (for decision making in the Steering Committee and for reporting).

The Agreement is **not without engagement**. The Secretariat assesses the due diligence reports and the action plans. Companies that do too little, are given ample time to make adjustments. If, in the end, they fall short of their commitments, they can be excluded from the agreement. Random checks are also carried out by the Secretariat, together with other Parties to the Agreement, to ensure that companies are actually implementing the action plan. In addition, there is a complaints and complaints mechanism. NGOs and trade unions, including local ones, can file a complaint if they see that damage or injury is being caused by a company. A binding opinion is then issued by the Secretariat.

WHAT DOES 'DUE DILIGENCE' MEAN IN THE CONTEXT OF THIS AGREEMENT ON SUSTAINABLE GARMENTS AND TEXTILE?

Not every company knows exactly what is happening in its production and supply chain. In accordance with international OECD guidelines, companies must assess to what extent they are involved in abuses relating to human rights, the environment or animal welfare. An important part of the Agreement is that companies commit to an analysis of the risks present in their production and supply chains: a so-called due diligence analysis.¹

Due diligence can be carried out in various ways, drawing on all kind of sources. Within the framework of the Agreement on Sustainable Garments and Textile, a compliance assessment system has been developed to guide companies through the due diligence process. This system is mandatory for companies that have signed the Agreement. On the basis of the risk analysis, companies must indicate what action they intend to take to prevent or limit abuses and to bring about improvements in the production chain. Signatory companies have to go through this cycle every year and thus continually improve their policies.

WHAT AGREEMENTS HAVE PARTIES REACHED AMONG THEMSELVES AND HAVE THESE ALREADY BEEN COMPLIED WITH?

The signatories to the Agreement have made a number of mutual arrangements:

- In the first year, they will identify **production risks** and carry out proper research into problems and risks affecting their own suppliers and their own production chain.
- Annually, they draw up a concrete **plan of action** with specific targets to reduce these risks in their production chain and solve any problems that may have been identified. Companies that promise too little improvement will be given time to adjust their plans. If they fail to do so, they will be excluded from the Agreement.
- A list of **production sites** had been established which also identifies the brands that produce at each of these factories. All this in order to promote transparency. The list of the almost 3,000 production sites² (sewing workshops) has been made public.
- The public list does not state which companies produce at each factory, as this is commercially sensitive business information. Only the SER - which supervises and implements the Clothing Agreement - knows which brands are associated with each of the workshops.
- In the summer of 2017, an **independent Complaints and Disputes Committee** was set up, which can issue binding opinions on reported complaints. As a result, employees at production sites can submit complaints on issues such as living wages, child labour or environmental damage. They can ask the Secretariat to pass the matter on to the clothing and textile companies concerned. In addition, the Committee is responsible for solving any problems (disputes) between companies and the Secretariat or between Parties in the Agreement. The Committee has the power to issue binding rulings.



1. www.imvoconvenanten.nl/garments-textile/agreement/method/due-diligence?sc_lang=en

2. www.imvoconvenanten.nl/kledingtextiel/agreement/method/factories?sc_lang=nl | 5 |

HOW DOES CNV INTERNATIONAAL CONTRIBUTE TO THE AGREEMENTS? AND WHAT CAN LOCAL PARTNERS CONTRIBUTE?

For as far as their resources and capacity allow, trade unions, including CNV Internationaal, and civil society organisations contribute ideas on solutions for problems participating companies run into and cannot solve individually. So what are CNV and its partners able to do?

Trade unions and civil society organizations that participate in the Agreement provide support on the basis of their knowledge and expertise, and involve local partners in implementing the proposals. Nine working groups have been set up, covering nine themes. These include NGOs, trade unions and, for

each working group, a number of companies and/or sector associations. These working groups draw up step-by-step plans, which companies may follow if they feel this is relevant to their business. CNV Internationaal, for example, could draw up such a plan in the working group on Freedom of Association for trade unions. This working group might discuss how a company can actively support independent trade unions to give them a chance in a particular factory, and what the government and trade unions can do to jointly initiate improvements in Freedom of Association and Collective Bargaining.

In November 2017, CNV organized a meet & greet for company representatives, various Agreement stakeholders, and trade union executives from Cambodia, Indonesia and Bangladesh. This allowed the subject of freedom of association to be discussed directly from practical experience. The meeting taught companies what they can do to raise the issue of freedom of association with the management of their production plants. For this purpose, companies can call on the support of trade unions and civil society organisations that have links with these production sites.

The CNV will furthermore, like other civil society organisations, the Government and sector organisations, provide its expertise for the development of tools that help participating companies to carry out their due diligence. Dedicated manuals will be written for medium-sized and smaller companies, and summaries will be drawn up of common risks and remedies.

CNV Internationaal has access to an international network in production countries that companies can be brought into contact with.

CNV Internationaal is involved in a five-year partnership led by the Fair Wear Foundation. That project is being carried out in Bangladesh, Cambodia, India, Indonesia, Myanmar, Vietnam, Pakistan and Ethiopia. Solid evidence gathered in the context of this partnership helps to influence the different players and to advocate improvements.



Wherever possible, CNV Internationaal can help companies to join projects already under way in countries where it is involved. If funding is available, the CNV can (co-)organise collective projects for companies with common problems, or contribute to setting up such projects, by deploying its own expertise or that of local partners.

One of the clothing brands raised human rights violations with its suppliers in Cambodia. The company sent a letter to its suppliers and is now cooperating with the local trade union (a partner of CNV Internationaal) to engage in a dialogue with the suppliers. In this way, joint efforts are being made to improve labour conditions in the brand's production countries.

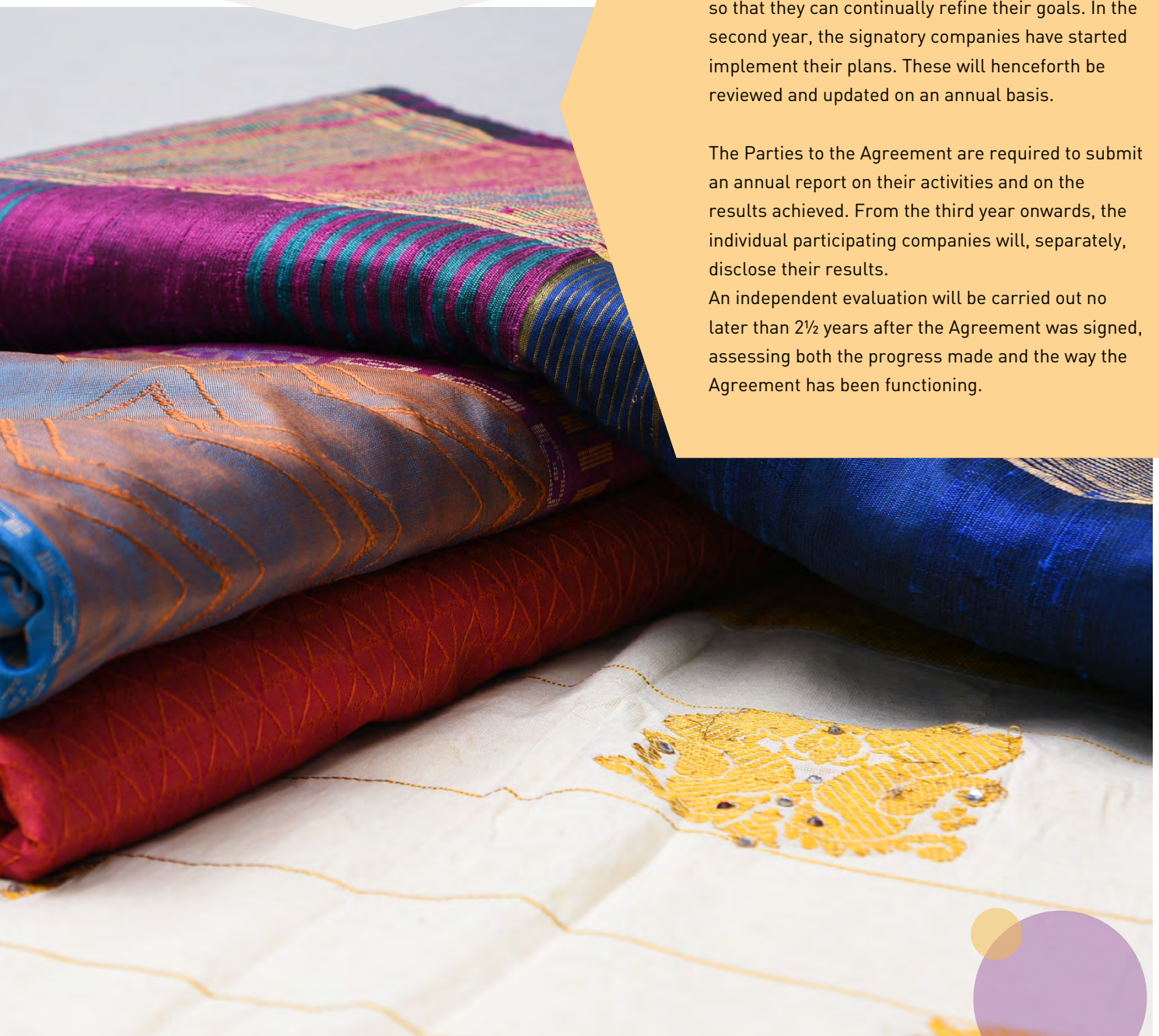
The CNV will inform local trade unions about the existence of the Agreement. At the same time, CNV Internationaal is strengthening its local partners, organising training seminars. In this way, trade union members among the workers at the production sites learn to know and defend their rights.

HOW DOES REPORTING AND MONITORING TAKE PLACE?

The Agreement, then, is being implemented in cycles. Each year, more information will become available and the Parties will gain more experience, so that they can continually refine their goals. In the second year, the signatory companies have started implement their plans. These will henceforth be reviewed and updated on an annual basis.

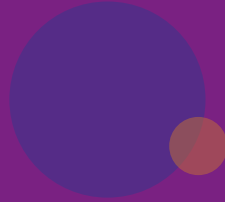
The Parties to the Agreement are required to submit an annual report on their activities and on the results achieved. From the third year onwards, the individual participating companies will, separately, disclose their results.

An independent evaluation will be carried out no later than 2½ years after the Agreement was signed, assessing both the progress made and the way the Agreement has been functioning.



*Additional information on the IRBC Agreements,
including links to background information and documents
mentioned in this factsheet, is available on:*

www.cnvinternationaal.nl/en/business-and-human-rights/dutch-agreements-responsible-business-conduct



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.

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