

Joint Agreements on International Responsible Business Conduct

Dutch companies, unions, civil society organisations and the government working together on human rights



cnv

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Introduction

an instrument
to end
and prevent



Making sustainability the norm rather than the exception: that's the aim of the Dutch joint sector Agreements on Responsible Business Conduct. Companies, trade unions, civil society organisations and the Dutch government are working together to ensure respect for human rights throughout international supply chains. The Dutch trade union confederation CNV and its international department, CNV Internationaal, are actively participating in the establishment of these agreements.

Doing business in other countries entails risks. Companies can become involved – either directly or indirectly – in child labour, unsafe working conditions or pollution of the local environment. Responsible Business Conduct means it is essential for businesses to carefully map these risks in order to avoid or mitigate them. The term for this is “due diligence”, otherwise known as RBC risk management. The sector agreements (also called covenants) on Responsible Business Conduct offer

companies the opportunity to work together at sector level in conjunction with the government, trade unions and civil society organisations to tackle the risks to people and planet in their global value chains.

The textile and garment industry was the first sector to formally join forces when its agreement was signed on 4 July 2016. The banking sector followed suit on 28 October 2016. Other agreements are being prepared in a broad range of sectors.

The **Dutch Minister for Foreign Trade and Development Cooperation, Lilianne Ploumen**, on the textile agreement: “We all remember the collapse of the Rana Plaza in Bangladesh, a building that housed various clothing factories and other facilities. A total of 1100 people lost their lives in that disaster. This was an eye-opener for many people. Nobody wants workers to die when they're sewing a shirt. Since then, many things have changed and this agreement is one of the outcomes. Companies that participate commit themselves to identifying all the possible risks, from picking the cotton all the way to the cash register. If there are any human rights violations, labour law violations or environmental damage, they are committed to tackling these issues.”



The ambition

sectoral agreements on Responsible Business Conduct in priority sectors

In 2014, the Dutch Social Economic Council – a tripartite body – advised the government on how to substantially address violations of human rights and environmental damage throughout Dutch companies' international supply chains. Following this advice, the government of the Netherlands commissioned a study to identify business sectors in which supply chains potentially pose heightened risks. The study identified 13 priority sectors, including the textile/garment industry, construction, metals and electronics, oil and gas, agriculture and the food industry. Based on this analysis, the Social Economic Council advised the government to facilitate the de-

velopment of sector agreements on Responsible Business Conduct.

Since then, a dialogue has started within various business sectors and with their stakeholders in the Netherlands with the aim of agreeing on how to reduce potential risks in their supply chains. By so doing, they are putting their corporate social responsibility into practice, in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The aim of the sector agreements is twofold:

1) to achieve substantial improvements in tackling specific risks for groups facing adverse

impacts within an ambitious yet realistic time frame of three to five years and

2) to offer shared solutions to address problems that companies cannot solve entirely by themselves.



Athit Kong

"Do you know what really inspires me?

Dutch cycle paths!

I see them when I visit CNV Internationaal. For me they are an expression of everyone's right to a safe and pleasant working and living environment. In and around the factories in Pnom Penh there is a lot of stench, chaos and insecurity. That's when I think about the Dutch cycle paths. They remind me that it is possible to live in a society without corruption, poverty, exploitation or environmental pollution."

The issues

what are the risks at stake?

Common problems in the countries where CNV Internationaal cooperates with partner unions are low wages, excessive overtime, unsafe working conditions and lack of social protection. The lack of a constructive climate for social dialogue impedes cooperation and negotiation between government, employers and workers' organisations to achieve agreements on these socio-economic issues. Collective

bargaining agreements that have expired are not updated; workers remain in limbo about their employment situation and possible improvements in their working conditions and wages. The land rights of the local population and labour rights of workers are often seriously violated in large construction projects, including the construction of hydroelectric power plants or ports partly funded by Dutch banks.

Agreement textile and garment industry

The textile and clothing industry, its branch organisations and civil society organisations reached an agreement in July 2016. They will work together in the next three to five years on social and environmental issues, especially:

- protection from discrimination
- protection from child labour
- protection from forced labour
- meaningful dialogue with independent workers' representatives
- achieving a living wage;
- safe and healthy conditions for employees

Reducing adverse environmental impacts is also part of this agreement. Ways of doing this include saving on and reusing raw materials to lead to more circularity, reducing the amount of water, energy and chemicals used and preventing animal suffering.

More options for consumers

The clothes and textiles available to Dutch consumers will gradually become more ethical and more sustainable, even for consumers who do not specifically pay attention to such aspects. Consumers will be able to find a satisfying answer to their questions about ethical and sustainable clothing and textiles in an increasing number of shops.



"We will have to wait and see whether this agreement leads to actual compliance with all labour laws," says **CNV Vice President Arend van Wijngaarden**. "The agreement is only a first step in the right direction. Our trade union colleagues in Asia will ensure that the clothing factories strictly comply with the labour laws. CNV will keep the parties in the Netherlands alert as to what is happening there. As a trade union, we are society's watchdog."

Signatories

(at November 26th 2016)

Alchemist Fashion B.V., America Today B.V., Magazijn De Bijenkorf B.V., Biz-Niz Confectie B.V., C&A Netherlands C.V., Company Fits B.V., Coolcat Fashion B.V., Coolcat Fashion B.V., ECC Couture B.V. (including Culture Centaur and Giovanni Capraro), Engelen & Evers BV / EE labels, Essenza Home ETP Emergo Textile Projects, Euretco Label Company, Exelle, FNG Group Nederland B.V., (including Claudia Sträter B.V. and Expressofashion), Fully Fashion BV., C.A.G. BV. Gerlon "The Fashion Hits Factory", Groenendijk Bedrijfskleding B.V., G-Star Raw C.V., Gsus, HEMA B.V., Hunkemöller International BV. JC Rags, Jolo Fashion GmbH, Just Brands, Kings Of Indigo, LaDress BV, LC Kidswear B.V., Less, Manderley Fashion B.V., Mees, Men at Work, Miss Etam Operations B.V., Okimono B.V., O'Neill Europe B.V., Ontour, Open32, Prénatal Moeder en Kind B.V., Progarments China Ltd. B.V., Textielfabrieken H. van Puijenbroek h/o HaVeP, P.W.G. Bedrijfsveilige Kleding, Rademakers Fashion & Fur, Schijvens Corporate Fashion, Silvercreek, Sissy-Boy, Steps Nederland B.V., Sting House of Brands, Studio Anneloes B.V., Summum Woman B.V., L. Ten Cate B.V. (including Ten Cate, Tweka, TC WOW and lief!), Tricorp B.V., Tumble 'N Dry, Vanilia C.V., We Europe B.V., Wehkamp B.V., Wibra Supermarkt BV, Witteveen, Yongo Europe B.V., (including GCM Henderson, GCM Originals and Meantime), Zeeman textielSupers B.V.

Covenant parties: Dutch Ministry of Foreign Affairs, VGT, Modint, INretail, UNICEF Nederland, Solidaridad, Landelijke India Werkgroep, Coalitie stop Kinderarbeid, Stichting VIER VOETERS, FNV, CNV

Expressions of support: MVO Nederland, IDH, The Sustainable Trade Initiative, MADE-BY, Sustainable Apparel Coalition (SAC), Fair Wear Foundation (FWF), Foreign Trade Association (FTA), National UNESCO Committee in the Netherlands, ASN Bank, Industrial pension fund for Mode Interieur Tapijt & Textiel (Bpf MITT), Save the Children.

Banking sector

The second Dutch sector to reach an agreement – with a focus on human and labour rights – was the banking sector. The voluntary agreement, signed on 28 October 2016, includes agreements on safe working conditions, trade union freedom and child labour. The agreement furthermore highlights the responsibility of banks to respect human rights according to the OECD Guidelines,

the UN Guiding Principles and the ILO Declaration on Fundamental Principles and Rights at Work. The agreement has an initial duration of three years. By signing the agreement, banks promise to work harder to actively combat and prevent human rights violations carried out by or at the premises of their business customers.



CNV Chairman Maurice Limmen:
“The signing of this banking agreement is not only a cause for celebration, but a necessity for promoting Decent Work.”

Signatories to the banking agreement

Parties to the agreement: the Dutch Ministry of Foreign Affairs, the Dutch Ministry of Finance, the Dutch Banking Association, CNV, FNV, Oxfam Novib, Amnesty International Nederland, Pax.

Adhering banks: ABN AMRO, ASN Bank, ASR Bank N.V., BNG Bank, F. van Lanschot Bankiers N.V., FGH BANK N.V., ING Groep N.V., Intesa Sanpaolo Bank Luxembourg S.A., Amsterdam Branch, the Netherlands Development Finance Company (FMO), NWB Bank, Rabobank, SNS Bank N.V., Triodos Bank N.V.



The role of CNV and CNV Internationalaam

The Dutch trade union confederation CNV supports these agreements as a means of improving and increasing the sustainability of the international supply chain in different sectors. These sectoral agreements will make a significant contribution towards augmenting due diligence and companies' respect for the OECD guidelines. Collaboration between trade unions, civil society organisations, companies and government will

start in the Netherlands and can then be transferred to partners in the countries concerned. These agreements link the Dutch partners to partners at the end of the chain. This will enable improved social dialogue in which issues such as a living wage, reducing excessively long working days and encouraging stronger trade unions to enable improved social dialogue can be more naturally and easily addressed.

Identifying and monitoring

The role of CNV Internationaal

- After signing the sector agreement, CNV will become part of the steering committee for the agreements.
- CNV will help set up a monitoring system to prevent labour law violations by Dutch companies in the textile sector and by Dutch banks.
- CNV and its partner unions will act as a watchdog to identify risks of labour rights violations, for example, and also to contribute towards finding solutions. CNV's partner unions in Asia, Africa and Latin America will play a major role in this. They will report any serious human rights violations that occur in companies from which Dutch companies source materials or in companies that have an investment relationship with a participating Dutch bank.



CNV Chairman Maurice Limmen:

"Our partner unions are well-placed to perform this 'watchdog' role, because they are the ones with their eyes and ears on the shopfloor. We will work with them to enforce strict supervision."



How it works

The implementation of the agreements

Annual improvement plans contain specific goals

Participating companies will have to analyse the social and environmental risks of their business activities throughout their production chain and publish an annual improvement plan with concrete goals covering a period of three to five years. Improvement will be judged on quality and ambition. Trade unions and civil society organisations will support these joint improvement programmes with their knowledge and expertise and engage their local partners in their implementation.

The Dutch government can also seek co-operation with governments in production countries in order to conclude agreements on strengthening their labour inspection. Local parties may, if they consider their rights violated, contact an NCP (national complaints committee).





Perspectives

Multi-stakeholder dialogues are currently taking place in a broad range of business sectors ranging from the gold sector to the food sector, from the timber sector to the horticultural sector, and from the natural stone sector to the insurance sector. They are all expected to reach Responsible Business Conduct agreements in the course of 2017.

This joint approach involving all stakeholders will keep everyone on their toes. There are companies at the forefront that have already set much in motion. By working together, knowledge can be shared. The agreements will last for three to five years: sufficient time to make real changes. Legislation in many production countries is inadequate or fails

to work in practice. The results of the agreements will be more sustainable through the voluntary participation of various stakeholders in the production chain. By working together in a structured and solution-oriented manner based on globally accepted conventions and guidelines, the parties' leverage will increase to make sustainability the norm rather than the exception.



About CNV Internationaal

CNV Internationaal is the international department of CNV, the Confederation of Christian Trade Unions in the Netherlands. For over 100 years, CNV has been working in the Netherlands to strengthen the position of workers, but our job does not end at the border. We are connected to workers around the world through international supply chains. CNV Internationaal contributes to decent work in 15 developing countries, through strengthening the position of workers. Our work focuses on three themes:

1. Strengthening social dialogue
2. Improving labour rights in supply chains
3. Increasing employability, including that of young people.

Through its contacts and membership of international trade union umbrella organisations, CNV contributes to decent work worldwide. CNV Internationaal supports local trade union partners in their national and international lobbying with regard to compliance with local labour laws and ratified ILO Conventions in different countries in Latin America, Africa, Asia and Central Europe. CNV Internationaal helps partner unions to identify labour rights violations and attempts to build bridges with local authorities and the national and international business community.



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Graphic Design: Marjoleine Reitsma

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