

October 19, 2017

Answers by Minister Ploumen of Foreign Trade and Development Cooperation, on behalf of the Minister of Foreign Affairs and the State Secretary for Infrastructure and Environment, to:

Parliamentary questions by the members Voordewind (ChristianUnion), Van den Hul (Labour Party) and Diks (GreenLeft) to the Minister of Foreign Trade and Development Cooperation, the Minister of Foreign Affairs and the State Secretary for Infrastructure and Environment on modern slavery, child labour and unsafe and unhealthy work in Indian granite quarries that supply Dutch and European markets

[submitted. August 25, 2017]

Question 1

Are you familiar with the report *The Dark Sites of Granite: Modern Slavery, Child Labour and Unsafe Work in Indian Granite Quarries - What should companies do?*⁽¹⁾ and the various articles about it in the Dutch, Belgian, Indian, British and German media⁽²⁾?

Answer 1

Yes.

Question 2

How do you assess the report and the recommendations in the report to companies and governments of both India and the Indian states, as well as the European Union (EU) and its member states?

Answer 2

The report addresses serious labour conditions in the Indian quarries. Debt bondage, unhealthy and dangerous work, child labour, low wages, lack of written contracts, poor housing and lack of drinking water represent a serious problem for the vulnerable labourers of the granite quarries. This also applies to the organisation of the protection of the workers. Many workers are members of trade unions, but these are often inactive. It should be noted that child labour in the granite quarries surveyed has decreased, but still frequently occurs in the processing of waste stone.

The government endorses the recommendation for companies to carry out *due diligence* in their supply chains in line with the guidelines for multinational companies of the Organisation for Economic Co-operation and Development (OECD). Companies, including middlemen, should therefore take their responsibility to combat malpractices in their chain.

In addition, the government recognises the importance of multi-stakeholder cooperation. The government plays a driving and facilitating role, including at the formation of the International Corporate Social Responsibility (ISCR) Natural Stone Covenant, that is now being worked on.

Finally, the report rightly states that in addition to a *due diligence* obligation of importing companies, the Indian government herself is responsible for good legislation and regulations and enforcement of the law, in order to effectively improve working conditions in the natural stone sector.

Question 3

Are you willing to urge Dutch trade organisations and companies in the natural stone sector to make firm agreements in the covenant on International Corporate Social Responsibility that is now being negotiated, about systematically combating the very serious human rights violations described in the report?

Answer 3

Yes, this is the purpose of covenant negotiations.

The purpose of ICSR covenants is to help individual companies tackling problems and malpractices, such as child labour and bonded labour, which are much more difficult to handle on their own. The Social Economic Council's (SER) advice on ICSR covenants and the government policy on ICSR provide the basis for the further agreements in these covenants. IMVO covenants are voluntary but the agreements that parties make together to prevent malpractices are binding.

Question 4

Are you also willing to ensure that the public procurement policies of the government and local authorities for the supply of granite and other types of stone will give preference to companies that are going to participate in the covenant and show that that actively (help to) combat abuses at suppliers?

Answer 4

Since April 1st, 2017, for central government public procurement, since the International Social Terms Condition (ISC) apply to procurements above the European procurement threshold and within the high-risk sectors identified by KPMG in the CSR Sector Risk Analysis. The core of the ISV is that companies operating in risk sectors must perform *due diligence* in accordance with the OECD Guidelines for multinational companies.

A pilot project is being implemented aiming at sustainability of the procurement process of [various levels of] government authorities. The purpose is to set up the procurement process of these authorities in such a way that natural stone companies that will be affiliated with the covenant or otherwise verifiably show that they actively (help to) combat malpractices in their supply chain, get preference over suppliers who do not. Preparations for this pilot have been made from this spring. The project is expected to be implemented from the fourth quarter of this year.

With regard to the decentralized authorities, also a new step has been taken. As part of the Plan of Action for Social Responsible Procurement, submitted to the Parliament on September 11, 2015, the Manifesto Social Responsible Procurement (MSRP) 2016-2020 was

launched on December 8, 2016. In the meantime, over 100 decentralized authorities (municipalities, provinces, water boards) have signed the MSRP Manifesto. The parties that did sign must draw up an action plan indicating their ambitions for MSRP. Part of that action plan is to indicate how decentralized authorities will meet the ISC in their procurement. Participating [decentralized] authorities can this way be addressed regarding their procurement practices.

Question 5

Are you going to raise the human rights violations described in the report in your bilateral contacts with the Indian government?

Question 6

Will you also urge the European Union to discuss the shocking situation in the Indian granite quarries thoroughly with India and to work on joint solutions?

Answers 5 and 6

The government is permanently seeking dialogue with India on human rights, either bilaterally, either in European Union (EU) and in multilateral relations. The Netherlands thereby emphasises the importance of respect for human rights, the enforcement of legislation and regulations for a well-functioning democratic constitutional state and the promotion of sustainable development. During the next human rights dialogue between the EU and India various issues will be discussed, including 'human rights and business'. The Netherlands will also plead to put the poor labour conditions in various sectors on the agenda.

There is, indeed, a responsibility with the government of India for a well-functioning labour inspection and the promotion of social dialogue. The report provides useful information for companies and the Indian government. It should be noted, however, that the fact that the investigated production locations are not explicitly mentioned in the report is a complicating factor for the purchasing companies and the Indian government to follow up the recommendations in these specific cases. The International Labour Organization (ILO), based on fundamental labour standards, an active attitude of the labour inspectorate and the social partners in this sector. The ILO is conducting an ongoing dialogue about this with countries, including India. The Netherlands will therefore bring the report on the natural stone quarries to the attention of the ILO office in India.

The Netherlands urges the EU to take a more proactive role in promoting *due diligence*. Within the EU, the Netherlands is calling for the development of an European CSR action plan and also to use this in the implementation of the Sustainable Development Goals (SDGs). In anticipation of establishing a broader EU action plan, the government is, in the current process of the natural stone covenant, focusing on a joint approach to the problems in cooperation with the Flemish government [Flemish speaking part of Belgium], the Flemish natural stone sector and Flemish civil society organisations.

Question 7

How will the recent ratification by the Netherlands of the 2014 ILO Protocol to the Forced

Labour Convention, 1930, be translated into new policies and new measures against forced labour in the supply chains of Dutch companies, including debt bondage in India?

Answer 7

As stated in the Explanatory Memorandum of the Protocol the government's aim is to make agreements - through the ICSR covenants - with Dutch business sectors on promoting respect for people and environment at their foreign suppliers. If the *due diligence* of companies shows that forced labour is a risk, these companies are expected to take measures to address this risk.

Within the program 'exploitation of labour', the Inspectorate Social Affairs and Employment, together with the financial sector, has launched a pilot to detect labour exploitation in production chains of Dutch companies through banking transactions. This program is focused at the Netherlands. The results of the pilot can be shared with India if so desired.

Question 8

Are you prepared to submit this issues to your successors with a sense of urgency?

Answer 8

The outgoing government will of course ensure a proper transfer to the new government.

Notes:

(1) <http://www.indianet.nl/TheDarkSitesOfGranite.html>

(2) http://www.indianet.nl/media-aandacht_TheDarkSitesOfGranite.html

[translation by India Committee of the Netherlands; original document: <http://www.indianet.nl/pdf/kv171019a.pdf>]