

October 19, 2017

Answers by Minister Ploumen of Foreign Trade and Development Cooperation, on behalf of the Minister of Economic Affairs, the Minister of the Interior and Kingdom Relations and the Minister of Social Affairs and Employment, to:

Parliamentary Questions by the members Sazias and Van Brenk (both 50PLUS) to the Minister of Foreign Trade and Development Cooperation, the Minister of Economic Affairs, the Minister of the Interior and Kingdom Relations and the Minister of Social Affairs and Employment on the research “The Dark Sites of Granite”

[submitted: August 29, 2017]

Question 1

Have you taken notice of the report *The Dark Sites of Granite - Modern slavery, child labour and unsafe work in Indian Granite Quarries* (August 2017)⁽¹⁾?

Answer 1

Yes.

Question 2

Is it true that the extraction of natural stone has been regarded for many years as an activity with an enhanced risk of unsafe and unhealthy working conditions? Is it correct that you already discussed in 2015 with the trade organisations to examine what support the government could offer to sectors in order to reach an agreement on the prevention of slavery and child labour in their production chains (especially for natural stone) and on the improvement of working conditions? What has been the result of this all? Could it be concluded that «working on fair work» is still in its infancy and that there has been relatively little progress in the Indian granite quarries? If so, how do you explain this?⁽²⁾

Answer 2

It is true that occupational risks were identified in the natural stone sector in 2014. As a result, the government started discussions with the natural stone sector on how to contribute to the prevention of the most serious forms of exploitation and to improve labour conditions. In the meantime, the parties concerned are focusing on the establishing of an International Corporate Social Responsibility (ICSR) Natural Stone Covenant. The problems in the natural stone chain mentioned are such that an individual company often has too little influence to actually make a difference and make progress in the field of decent labour at quarry level. Because addressing the problems in the natural stone chain with a multi-stakeholder approach is expected to be more successful, the parties are now working on a covenant. The companies mentioned in the report are all involved in the covenant discussions.

Question 3

Are you willing to raise the problems of debt slavery, child labour and poor labour conditions again with your Indian colleagues, and to take joint action to further combat these commonly recognised injustices?

Answer 3

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 4

How have the government and the importing companies taken their responsibility in the past years to improve corporate social responsibility, especially with regard to the natural stone quarries, and to make into a reality? To what extent is it secured that the guidelines for multinational enterprises (OECD Guidelines) indeed help to prevent company activities having negative effects on mankind and the environment, such as reproducing unfair employment and exploitation?

Answer 4

The government endorses the recommendation for companies to carry out *due diligence* in their supply chains according to the guidelines for multinational companies of the Organisation for Economic Co-operation and Development (OECD). As it is evident that malpractices must be avoided, companies, including middlemen, should take their responsibility to prevent these problems in their chain. This implies that they must identify risks in their production chain and address them. The government plays an inciting and

facilitating role, such as in the coming about of the ICSR Natural Stone Covenant, now being worked on.

Question 5

What are you going to do in concrete terms with regard to the Dutch companies mentioned in the report, which do imports granite from the quarries with very poor labour conditions?

Answer 5

Based on the OECD guidelines, the companies mentioned all have the individual responsibility to identify (possible) malpractices and to address them. We will continue to raise the issue with the companies.

We are aware that the companies cannot tackle all the malpractices on their own, and therefore we work together towards a natural stone covenant to achieve greater impact in solving problems as described in the report. In an ICSR covenant companies cooperate with the government, NGOs and trade unions to solve problems like child labour and bonded labour.

Question 6

How do you, apart from your commitment to “fair labour”⁽³⁾, actually pursue and improve sustainable procurement policies by companies in general?

Answer 6

The government is committed to encouraging companies to comply with the OECD guidelines for multinational companies. These guidelines require companies to have *due diligence* on possible malpractices in their supply chains. The purchasing/procurement policy of companies is an important part of *due diligence*. In addition to the IMVO covenant policy and the government's own procurement policy, we also encourage companies with our instruments (e.g. trade missions, subsidies, etc.) that apply ICSR criteria. Also, the Ministry of Foreign Affairs as well as MVO Nederland, The Shift, the Netherlands Enterprise Agency (RVO) and the National Contact Point (NCP) provide information on the implementation of OECD guidelines.

Question 7

Are you willing to oblige companies to be fully transparent about their supply chain (policies) in terms of their due diligence to promote human rights?

Answer 7

The government believes that a voluntary approach, but not without obligations, as intended in the covenants, works best, because companies will take responsibility themselves for respecting human rights. However, according to the OECD Guidelines and the UN Guiding Principles (UNGPs), companies should be transparent about identifying and addressing negative human rights implications.

In addition, there are a number of reporting obligations. The EU Directive 2014/95 on disclosure of non-financial information obliges organisations of public interest (listed companies and financial institutions) with 500 or more employees to report on, among other

things, human rights. The 'Declaration of Disclosure of Non-Financial Information', which came into force from March 24, 2017, guarantees the implementation of this guideline.

Question 8

How are you going to ensure that the government and other authorities, who use granite or natural stone from India (or elsewhere) for buildings, monuments and pavement, prevent and combat the violation of human and labour rights as described in the report? How will you address other authorities like municipalities, provinces and water boards on this subject?

Answer 8

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.

Explanation: These questions are a supplement to previous questions about this subject by the members Voordewind (ChristianUnion), Van den Hul (Labour Party) and Diks (GreenLeft), submitted on August 25, 2017: <http://www.indianet.nl/pdf/kv170825e.pdf>

[translation by India Committee of the Netherlands; original document: <http://www.inbdianet.nl/pdf/kv171019b.pdf>]

Notes:

1. *The Dark Sites of Granite*, India Committee of the Netherlands, Stop Child Labour and Kerk in Actie, August 2017; see: <http://www.indianet.nl/pdf/TheDarkSitesOfGranite-abstract.pdf>
2. - Policy Document 2014-2015, no. 2465: <http://www.indianet.nl/pdfkv150604e.pdf>;
- *Rock Bottom - Modern Slavery and Child Labour in South Indian Granite Quarries*, May 2015, <http://www.indianet.nl/pdf/RockBottom.pdf>;
- Newspaper *Trouw*, July 17, 2007: *Voor een dubbeltje op de eerste rang* on labour conditions in granite quarries in India: <https://www.trouw.nl/home/voor-een-dubbeltje-op-de-eerste-rang~a016628c/>
3. Letter by the Minister for Foreign Trade and Development Cooperation to the Parliament on *Werken aan eerlijk Werk* ("Working towards fair labour"), August 23, 2017: <https://www.rijksoverheid.nl/documenten/kamerstukken/2017/08/23/kamerbrief-over-werken-aan-eerlijk-werk>